Economic Commission for Africa
Sub-Regional Office for Eastern Africa (SRO-EA)

South-South and Triangular Cooperation and its implications for the Eastern Africa sub-region

Report for the UN Economic Commission for Africa – Subregional office for Eastern Africa

May 2011

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Executive summary

A vast region, with a number of politically unstable states, eastern Africa nevertheless has displayed potential in grappling with some of those challenges and creating an integrated market to help leverage development. South-South and Triangular Cooperation are notable features on the landscape of the region. Driven by the opportunities that the continent presents, new Southern emerging powers (from China to Saudi Arabia) are accelerating their engagement in east Africa. While not altruistic in this pursuit, these states nevertheless have provided both educational and technical assistance, as well as much-needed investment in infrastructure. Triangular cooperation is also helping to deepen collaboration between Southern states by providing additional resources by partnering with the North.

East Africa can derive much benefit from this and already a number of projects on the ground bear testament to that. The examples set out in the report reflect a diversity of activities in a number of sectors, from training and education, to agriculture, ICT and roads and railways. An innovative project on e-schools has alerted many governments to the importance and utility of the internet and ICT in their strategic plans on education, while in previously conflict-torn Burundi, Rwanda and South Sudan, South Africa is working with the public administration training outfits to build an efficient public service. These projects may not be big in size or scale, but are often niche initiatives that allow innovation in a particular sector. One of the most notable is the Pan African e network for telemedicine and tele-education, where India is an important partner.

For Africa the most encouraging trend within SSC and TC is the existence of a number of African initiatives. The African Peer Review Mechanism and the Comprehensive Africa Agricultural Development programme are two such examples at a continental level. However, on a much smaller scale and just as vital for small states is the collaboration occurring between Rwanda and Burundi in establishing and training up an efficient revenue authority.

Clearly, the opportunities presented by SSC and TC should not be passed up. To optimise on this trend, individual states and the east African region will have to develop common approaches to engaging with such initiatives and proactively identifying them for discussion with partners. The region's biggest challenge is the overlapping memberships states have of regional organisations, although some integration bodies such as the EAC and COMESA have made considerable progress in this regard. It absorbs scarce time and resources and undermines attempts to harmonise and work on common regional development plans.

Some of the recommendations made in this report include:

- Using national and regional development strategies as the menu for cooperation in both SSC and TC. This requires national governments, local institutions and regional bodies to take true ownership of these schemes.

This does not always happen, which results in accepting projects that fall outside national priorities.

- Learning the lessons of the aid effectiveness agenda of the North. Aid from the North has not always delivered, but the principles of transparency, accountability and evaluation are as important for SSC and TC. East African states should insist that new donors recognise these principles in their projects and political collaboration.
- Engaging local stakeholders and NGOs in these partnerships, especially where local knowledge and ownership is essential, for example, in the Lake Victoria Basin Authority or in the NEPAD e-schools project.
- Developing criteria for SSC and triangular cooperation in east Africa and insisting that partners respect them.
- Creating parallel Southern coordinating forums for cooperation. It is unlikely that many Southern partners would fully participate in the Northern coordinating mechanisms, although such overtures should not be ruled out. However, a parallel structure may help to reduce the transaction costs and the concomitant spread of scarce resources of east African states and institutions, while ensuring that duplication is avoided and national/regional priorities are followed closely.

Abbreviations

AAA	Accra Agenda for Action
AAP	Africa Action Plan
ACCORD	African Centre for the Constructive Resolution of Disputes
ADF	African Development Fund
ADFD	Abu Dhabi Fund for Development
AfCoP-MfDR	African Community of Practice on Managing for Development Results
AfDB	African Development Bank
AFESD	Arab Fund for Economic and Social Development
AICD	Africa Infrastructure Country Diagnostic
AMF	Arab Monetary Fund
APRM	African Peer Review Mechanism
ARIA	Assessing Regional Integration in Africa
AsDB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
AU	African Union
AWEPA	Association of European Parliamentarians for Africa
BADEA	Arab Bank for Economic Development
BAPOA	Buenos Aires Plan of Action
CAADP	Comprehensive Africa Agriculture Development Programme
CFTC	Commonwealth Fund for Technical Cooperation
COMESA	Common Market for Eastern and Southern Africa
CPGL	Communaute pour les Pays des Grands Lacs
DAC	Development Assistance Committee
DfID	Department for International Development (UK)
EAC	East African Community
ECOSOC	Economic and Social Council
EPA	Economic Partnership Agreement
EU	European Union
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
FOCAC	Forum on China-Africa Cooperation
G-77	Group of 77
GTZ	Gesellschaft fuer Technische Zusammenarbeit

HLC	High level committee
IADB	Inter American Development Bank
ICGLR	International Conference on the Great Lakes Region
ICT	Information and Communication Technology
IDA	International Development Assistance
IFAD	International Fund for Agricultural Development
IGAD	Intergovernmental Authority on Development
ILO	International Labour Organisation
IOC	Indian Ocean Committee
IPPF	Infrastructure Project Preparation Fund
IsDB	Islamic Development Bank Group
ITEC	Indian Technical and Economic Cooperation
JICA	Japan International Cooperation Agency
LDC	Least Developed Country
LVBC	Lake Victoria Basin Commission
LVRLAC	Lake Victoria Region Local Authorities Cooperation
MDG	Millennium Development Goals
MfDR	Managing for Development Results
MP	Member of Parliament
NAASP	New Africa Asia Strategic Partnership
NAM	Non-Aligned Movement
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental Organisation
OECD	Organisation for Economic Cooperation and Development
OFID	OPEC Fund for International Development
OPEC	Organisation of Petroleum Exporting Countries
PIDA	Programme for Infrastructure Development in Africa
PPP	Public Private Partnership
REAP	Regional East African Integration Programme
REC	Regional Economic Community
RRA	Rwanda Revenue Authority
SA	South Africa
SADC	Southern African Development Community
SIDA	Swedish International Development Cooperation Agency
SME	Small medium enterprises
SSC	South-South Cooperation

STAP	Short-term Development Programme
SU/SSC	Special Unit on South-South Cooperation
SWFs	Sovereign Wealth Funds
SWI	Stockholm International Water Institute
TA	Technical Assistance
TAC	Technical Aid Corps
TC	Triangular Cooperation
TCDC	Technical Cooperation among Developing Countries
TT-SSC	Task Team on South-South Cooperation
UBC	Union of Baltic Cities
UN	United Nations
UN ECOSOC	United Nations Economic and Social Council
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFSSC	United Nation Trust Fund for South-South Cooperation
UNIDO	United Nations Industrial Development Organisation
WB	World Bank

1. Introduction

South-South Cooperation (SSC) as a concept has been around for many years and dates back to post-colonial times when newly independent countries in the South looked towards one another for the sharing of experiences on development. Efforts to define the nature, content and impact of SSC abound but it continues to have varying interpretations.

This report is an attempt to define SSC and the newer term of Triangular Cooperation (TC) for Eastern African states, to examine the nature of these two types of cooperation, to present case studies of examples where SSC and TC have worked well, to make some recommendations on how Eastern African states can reap the benefits of SSC and T C and what to guard against when seeking out SSC and TC.

The report is based on an extensive literature review, a field trip to Eastern African states, interviews with the diplomatic community in South Africa, telephonic interviews as well as email communication with various role-players, stakeholders and experts on SSC and TC.

Whereas cooperation between developing countries began as a natural extension of the desire to work together without first being promoted by international agencies, the world has recognised the potential benefit of such cooperation. As the United Nations (UN) has pointed out, 'in a volatile international environment, the cooperation of developing countries with each other has been a steadying and positive factor in their attainment of impressive but uneven socio-economic gains.'1

This recognition has led to the UN's promotion of SSC by establishing its South-South Cooperation Unit within the United Nations Development Programme (UNDP). More recently the Organisation for Economic Cooperation and Development OECD and the World Bank (WB) have also sought to understand this phenomenon more and its impact on established North-South flows of development assistance. Where progress has been made on donor coordination among traditional donors there is now an effort to understand how 'non-traditional donors' are operating within Africa and whether there is scope or need to 'co-opt' them or integrate them into existing structures. This in itself is contentious for Southern states, with new donors rejecting the Paris Declaration as a basis for their modus operandi with other Southern states. It is also important to differentiate between the very specific and fairly narrow definition of development cooperation by the OECD's Development Assistance Committee (DAC) and the more expansive notion of SSC adopted by developing countries that includes trade and investment. FDI often forms an important aspect of a new donor's development package.

Triangular cooperation (TC) is an even more recently recognised form of North-South-South cooperation. Whereas SSC should not be seen as an alternative to North-South

1 UN 2009 'Promotion of South-South Cooperation for Development: A Thirty-Year Perspective.' Report of the Secretary General. A/64/504.

Cooperation, triangular cooperation can become the bridge between traditional North-South relationships, helping to optimise the benefits of SSC.

Few reports have focused on Triangular Cooperation, but where material exists it is generally very complementary of such cooperation as it bring together financing from traditional donors and combines this with local expertise in a Southern partner who can effectively share experience with its fellow Southern state. However, within this area too, there are political sensitivities as well as logistical and bureaucratic hurdles.

The report starts with the definitions of SSC and Triangular Cooperation as found in the literature, in order to define the parameters of this study. It then maps the evolution of SSC and TC.

In order for governments in East Africa to engage better with the new donors it is essential that the motives and interests of these new donors are understood. Our impressions of these motives and interests are discussed in section 4 and summarised in table format in the Annex to this report. Regional integration and the infrastructure needs of the region are discussed in section 5 as they pertain to SSC and TC. In section 6 we highlight some case studies of SSC and TC in East Africa and close with recommendations in section 7 and conclusions in section 8.

2. Definitions

Definitions of SSC and Triangular Cooperation abound and the parameters of such cooperation are constantly evolving. East African states can agree on the most appropriate definition for their region and one which captures what the region would like to gain from such cooperation. Both types of cooperation may provide additional resources (both financial and human) to assist with sustainable development, but would need to be managed carefully, particularly by the beneficiary state.

2.1 South-South Cooperation

In the most recent United Nations Conference on Trade and Development (UNCTAD) *Economic Development in Africa Report 2010: South-South Cooperation: Africa and the New Forms of Development Partnership* the authors define the concepts for their purposes as 'the processes, institutions and arrangements designed to promote political, economic and technical cooperation among developing countries in pursuit of common development goals.' They add that 'South-South cooperation is a much broader concept than either technical cooperation among developing countries or economic cooperation among developing countries. The former focuses on the cooperative exchange of knowledge, skills, resources and technical know-how and the latter refers mainly to cooperation in trade, investment and finance.' However, Berger and Grimm raise questions about what the criterion is that determines that an initiative is more than export promotion on the part of the donor and actually entails mutual benefit.[2] Thus a key element of such cooperation is that it is developed with a focus on both parties deriving mutual benefit.

SSC is also not just associated with relations between governments, but increasingly includes the private sector and civil society.[3] SSC can be cooperation between two or more African states, African states and Latin American states, African states and Asian states (including the Gulf) or a combination of all three. Thus it may take the form of bilateral, intra-regional or inter-regional cooperation as well as collaboration on multilateral issues designed to enhance their participation and integration in the world economy.[4]

The geographical denominator of 'the South' is a concept that does not necessarily refer to all countries south of the equator although most countries of 'the south' are geographically in that location. The 'South' or the 'Global South' is a political term, coined after the Second World War and the break-up of colonial empires referring to ex-colonies and those least developed economies or developing economies that were not considered world powers. In the 21st century, however, it is important to note that the South is increasingly

2 Berger A and S Grimm. 'South-South Cooperation and Western aid: learning from and with each other?', The Current Column, 6 September 2010.

3 UNCTAD. 2010. Economic Development in Africa Report: South-South Cooperation: Africa and the New Forms of Development Partnership.

4 UNCTAD. 2010

differentiated, with those countries that have emerged as key players (givers) forming the first tier of Southern countries, many of whom are projecting their political and economic power globally.

Whereas we previously understood or assumed that aid and development cooperation were the domain of the 'North', these perceptions are changing rapidly with the visible involvement in Africa of new Southern donors such as China, Brazil, India, Turkey, South Korea and South Africa. The changing nature of global patterns of economic and political engagement can also clearly be seen from trade flows. Whereas previously Southern states predominantly traded with their former colonial powers in the North, recent trends show that linkages with neighbours and other Southern states are growing for all African states.

With the rise of China, India, Brazil and a number of other developing countries, SSC has been given more impetus, allowing for more substantial collaboration among Southern states than the rhetoric of previous times. In addition, the role that Arab aid agencies have played in international development is often overlooked, despite the fact that as individual countries and as a group, Arab nations are among the most generous in development aid volumes. In addition, they emphasise SSC, especially – although by no means exclusively - to fellow Islamic states.

2.2 Triangular Cooperation

Triangular cooperation is becoming more prominent and fashionable against the background of the rise of the first tier of Southern countries able to significantly boost SSC. Northern countries focus on compliance with the Accra Agenda and Paris Declaration as important elements of this type of cooperation. This can be seen as a source of friction with Southern states, as they don't necessarily ascribe to these protocols as 'donors' but only as recipients, arguing that these documents have been drafted by the North.

The OECD defines triangular cooperation as 'partnerships between DAC Donors and Pivotal Countries (providers of South-South Co-operation) to implement development co-operation programmes/projects in Beneficiary Countries (recipients of development aid).'[5]

The European Union (EU) in turn defines TC as,

> The collaboration between a Southern (sometimes called pivotal) provider and a Northern donor in benefit of a third recipient country. It can achieve multiple expressions (trilateral, regional, multilateral, etc.), but a common feature is that know-how, skills, experiences and resources from North and South are combined. Often, the Southern provider contributes adapted expertise, more direct knowledge of development challenges and/or low-cost, good-fit technical cooperation, while the traditional donor shares broader development cooperation experiences, funding and more sophisticated technical resources.[6]

5 Fordelone, T. 2009. Triangular Cooperation and Aid Effectiveness. OECD.

6 Triangular Cooperation in the Context of Aid Effectiveness – Experiences and Views

Importantly, a traditional donor's role should not be limited to funding mechanisms alone, but include elements of real partnership such as sharing of experiences and knowledge. Thus, support by the North to the RECs would probably follow the more traditional donor-recipient pattern. On the other hand collaboration among RECs in Africa can certainly be considered a type of SSC.

The 1st International Symposium on Triangular Cooperation in Brazil in 2009 identified three basic modalities in triangular cooperation:

1. A new provider establishes cooperation with a beneficiary country and a traditional donor country provides technical and financial resources
2. A beneficiary country establishes cooperation with a traditional donor, which, in its turn, provides the resources so a new provider or an international organisation implements the planned actions.
3. All stakeholders establish cooperation jointly, from identifying needs to implementing actions to monitoring and assessing impacts.

Anecdotal evidence from interviews conducted, however, emphasises the importance of a personal trust relationship in the conception of some triangular projects.

Not everybody interviewed was familiar with TC, with some new donors in embassies emphasising that they still prefer bilateral cooperation and see no added advantage from triangular cooperation. The concept is probably most advanced in cooperation among traditional partners, Brazil/South Africa, and a beneficiary country. A number of respondents emphasised that for triangular cooperation to work, two key elements were required:

- The specific comparative advantages that each party would bring to the cooperation; and
- The degree to which there was a confluence of interests among all three parties.

Underpinning both of these was the need for the beneficiary to have clear ownership of the project, which implied that it had to fit into its overall national priority framework, a challenge not only for bilateral cooperation but equally for triangular and SSC.

The terms 'triangular' and 'trilateral' are often used interchangeably. In this paper, we will use the term 'triangular' cooperation for the project-based approach that relates to a form of development cooperation, while trilateral will be used to refer to the kind of strategic engagement between Southern countries or Southern and Northern ones. IBSA is an example of the former, while a mooted EU-Africa-China trilateral dialogue is an example of the latter.

of EU donors. 17 Feb. 2010. AECID. Spain.

3. Parallel processes

The interest in and promotion of SSC and Triangular Cooperation has a long history and dates back to the immediate post-colonial era. As early as 1955 African and Asian countries met in Bandung, Indonesia, to promote SSC. The Bandung meeting led to the formation of two key South-South political alliances, namely the Non-Aligned Movement (NAM) in 1961 and the Group of 77 (G-77) in 1964. In practice, the limited resources available to these states at the time meant that SSC largely remained at the level of rhetoric until the first decade of the 21st century.

We can distinguish two tracks in the field of SSC at the global level over the last few decades: the first is that of the UN and the UNDP; the second is the processes of traditional donors as seen through the OECD's work in this regard, as well as that of the World Bank.

3.1 The United Nations (UN)

The UN has for many years been at the forefront of supporting and encouraging cooperation among developing countries. Since the adoption of the 1978 Buenos Aires Plan of Action following the UN Conference on Technical Cooperation among Developing Countries (TCDC), this plan has been regarded as the foundation of SSC, which has become the more common term used to refer to TCDC. The term SSC incorporates the deepening of trade and investment relations, rather than simply development or technical assistance.

The Buenos Aires Plan of Action (BAPOA) articulated three strategic aims:

- to strengthen their [developing countries'] economic, social and political interdependence;
- accelerate development; and
- correct distortions in the international system caused by the asymmetrical power relations of the colonial era.[7]

The BAPOA contains 38 recommendations for TCDC across the four areas of action to be taken at the national, regional, interregional and global levels(see Appendix A). More than 30 years after the adoption of these recommendations progress has been visible in some areas, but many other, such as the promotion of national research and training centres, and the promotion of greater self-reliance in the economic and social spheres still need international attention and should be scrutinised when East Africa decides on a way forward for SSC and TC in its region.

Following the BAAP, the UN established the Special Unit for South-South Cooperation under the UNDP. Other UN specialised agencies have also promoted SSC within the auspices of their individual mandates, including UNCTAD and the Economic and Social Council (ECOSOC). The primary mandate of the UNDP's special unit of South-

7 UN 2009 'Promotion of South-South Cooperation for Development: A Thirty-Year Perspective.' Report of the Secretary General. A/64/504.

South Cooperation is to promote, coordinate and support South-South and Triangular Cooperation on a global and UN system-wide basis. The Unit manages the UN Trust Fund for South-South Cooperation (UNFSSC) and the Perez-Guerrero Trust Fund and also implements programmes financed by the UNDP.

SSC and Triangular Cooperation are considered important auxiliary tools within the context of North-South cooperation, especially in achieving the Millennium Development Goals (MDGs). Whereas the Northern donor focus has shifted somewhat from productive towards the social sectors in the wake of the adoption of the MDGs, the same does not hold true for Southern partners.

The evolution of SSC must be viewed against the background of debates happening in the North around aid effectiveness illustrated by the OECD and World Bank. These debates are relevant especially in the context of triangular cooperation but also because they filter into international debates on SSC and how it should evolve. In discussions with 'new donors' of the South, it is also apparent that some of the concerns that have evolved among Northern donors around monitoring impact and systems of evaluation are also being considered among Southern donors.

3.2 Aid Effectiveness – World Bank and the OECD

The World Bank and the OECD DAC countries have been driving coordination and the improvement of aid for many years. Most recently the focus among traditional donors has been on aid effectiveness.

The Paris Declaration of 2005 has become the corner stone of current efforts towards aid effectiveness in the North. While many developing countries have signed up to the Paris Declaration, they have done so as aid recipients (partners) rather than as 'donors'. Its five key principles include partner country ownership of development implementation; donor alignment with partner country development strategies; harmonisation of donor development approaches and activities; managing for better results through national development strategies and performance frameworks; and mutual accountability between partners and donors. The Paris Declaration includes indicators and measurable targets for development effectiveness against these five principles. It does not explicitly address the role of NGOs and civil society organisations in improving aid effectiveness.

These principles are laudable and address the concerns of beneficiary countries specifically on ownership linked to their development strategies and reducing beneficiary countries' transaction costs.

The Accra Agenda for Action (AAA) of 2008 highlighted areas where progress was required on the Paris Declaration. Specifically, developing country ownership of development efforts had to be strengthened; partnerships and delivery needed to be more effective and inclusive; and there had to be more delivery and accounting for development results. In addition, it recognised NGOs as important players in improving aid effectiveness, and that the Paris principles should apply equally within that sector too.

SSC and TC in the OECD agenda

The AAA included SSC in its call for more effective donor engagement. SSC in the context of aid effectiveness as reflected in the AAA galvanised the launch of the Task Team on South-South Cooperation (TT-SSC) in mid-September 2009. The task team agreed to map and analyse the linkages between the principles of aid effectiveness and the practice of SSC.[8] The TT-SSC initiated a project to gather case studies on SSC, which will be discussed in more detail below.

Some stakeholders interviewed expressed the concern that any OECD-DAC driven process on SSC or TC should be viewed with some scepticism as it results from traditional donor fears of new actors in their traditional stronghold. However, there have been important developments in donor coordination in East African countries with beneficial results to East Africa that could also be relevant for South-South donor coordination. Most East African countries now have some form of donor coordination forum or mechanism, which allows for discussion and debate on national agendas and how best donors can fit into these. (Over the last several years, Northern donors have been giving budget support rather than implementing projects; new donors prefer to provide support for projects.)

These donor coordination mechanisms are being hailed as the most important development in the relationship between donors and recipients of recent years. New donors are not necessarily full participants in these forums. With a marked increase in the activity of new donors in developing countries it is only natural that the traditional donors would like to see participation in these mechanisms by new donors. However, most new donors shy away from participating in these arrangements. They may, however, welcome mechanisms developed by and for Southern donors. This is an opportunity for beneficiary countries to initiate such forums that have as their framework their national development plans. Although some initiatives of SSC or TC are small projects, there is no reason why they cannot be integrated so as to contribute to specific national priorities identified by the beneficiary country.

A key element of SSC that actors such as China, India and South Africa emphasise is that their assistance is not aid in the traditional sense of donor and recipient, which is why they also eschew the term ‘new donors’. They see their cooperation as one among equals, driven by mutual benefit. Clearly, while this is the rationale and perhaps the aspiration, the reality may be different. As Southern partners do not necessarily undertake the same kind of monitoring and evaluation that traditional donors undertake in their cooperation initiatives it has not been easy to develop a proper assessment or indeed compare it against benchmarks set. Donors and recipients should not shy away from proper monitoring and evaluation and to establish or participate in existing coordinating forums.

In the area of Triangular Cooperation, traditional donors have a greater influence and say over how this relatively new way of implementing development aid projects takes

8 South-South Cooperation in the context of Aid Effectiveness. 2010. OECD-DAC Task Team on South-South Cooperation

shape, as they are key partners to the process. In light of this, the EU has made some recommendations on how TC can fit into the aid effectiveness paradigm.

However, unless new actors in development cooperation make an input into this, triangular cooperation may continue to be fragmented or may not be taken up by Southern states that object to being straitjacketed into certain standards which they may have had no say in developing.[9]

Recognising the importance of Africa taking control over where and how donors spend their development aid, the African Union and its economic development programme - the New Partnership for Africa's Development (NEPAD) – has developed an Africa Action Plan (AAP) for the continent's development. In order to achieve the 7% growth rate that is needed on a continental basis for Africa to achieve the Millennium Development Goals, African leaders have consolidated - in matrix form - those key infrastructural deficiencies that need donor assistance to be fully developed. The focus areas include: infrastructure, agriculture and food security, health, education, science and technology, trade and industry, environment, peace and security, governance and finally gender development.

The principle objectives of the plan are:

- To mobilise sufficient resources for the implementation of Africa's priority programmes/projects in Africa;
- To harmonise and synchronise AU/NEPAD programmes/projects for effective and efficient implementation;
- To prepare a platform for programme/project collaboration and partnership;
- To facilitate the monitoring and evaluation of the priority programmes/projects at national, sub-regional and continental levels with the AU/NEPAD, RECs and other African institutions as part of fast-tracking implementation[10].

Given the broad spectrum of the plan East Africa and its potential Southern donors may work within the parameters of this plan when seeking areas of mutual interest and concern. A more refined matrix of development needs already exists at the East African level under the auspices of COMESA and the EAC and will be discussed in more detail below.

9 For a number of the recommendations on TC within the OECD-Aid Effectiveness paradigm see Triangular Cooperation in the Context of Aid Effectiveness – Experiences and Views of EU donors. 17 Feb. 2010. AECID. Spain.

10 The AU/NEPAD African Action Plan. www.oecd.org/dataoecd/28/10/41084201.pdf

4. New donors, strategic interests and SSC

The realpolitik view of the rise of SSC is that new donors are driven by self-interest in their cooperation with African counterparts. The UNDP points out that in official statements by Southern partners the objectives are expressed as,

> the need and desire to pursue mutually beneficial cooperation for common development. This suggests that Africa's relations with the South should be seen as one of complementary advantage. On one hand, the region needs external capital, technology and technical expertise from other developing countries to address its development needs and challenges. On the other hand, Southern partners need natural resources, markets and support on global issues and Africa has a lot to offer in these areas.[11]

Different Southern partners have different reasons for engaging with Africa. Market access, natural resource demands and support on global issues are all significant to these emerging economies.

The Arab countries' motives for development assistance are driven by a sense of moral obligation to assist other Islamic states. Whereas the bulk of Arab aid is directed at such developing countries, there is a significant involvement in non-Islamic states too. A recent World Bank report noted,

> Arab financial assistance is noteworthy for its partnership and solidarity with recipient countries—in practice, this is interpreted to mean that Arab donors do not attach policy conditions to the loans they provide.[12]

Southern donors in general and China in particular, exercise a much closer strategic integration of aid, trade and FDI. This is particularly marked in the case of China and is most clearly evident in the comprehensive aid package negotiated with the Democratic Republic of the Congo in late 1997 and early 2008.[13]

There are a number of common features among the new donors in Africa, which include:[14]

- The new donors use official flows to promote trade and investment activities.

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11 UNCTAD. 2010. *Economic Development in Africa Report: South-South Cooperation: Africa and the New Forms of Development Partnership.*

12 World Bank. August 2010. *Arab Development Assistance: Four Decades of Cooperation*. MENA Knowledge and Learning: Quick Notes Series.

13 UN.2010. *Office of the Special Advisor on Africa: Africa's Cooperation with New and Emerging Development Partners: Options for Africa's Development. www.un.org/africa/osaa/reports/emerging_economies_2009.pdf* page 19.

14 UNCTAD. 2010. *Economic Development in Africa Report: South-South Cooperation: Africa and the New Forms of Development Partnership.*

- New donors tend to provide more support to the infrastructure and production sectors.
- Official flows provided by new donors also go to countries often not targeted by traditional donors.
- New donors are playing active roles as providers of debt relief.[15]
- Concessional loans are the most widespread instrument of support.
- The dominant method of delivery of official flows by new donors is project support.
- New donors do not impose domestic policy or governance-related conditions but often tie official flows to non-policy conditions – the most common being access to natural resources or the purchase of goods and services from the country providing support.
- Technical support is an important component of support by new donors.
- Many new donors still receive aid from the North as well as provide official flows to poor countries.

All the major emerging markets have some form of engagement with East Africa. The section below briefly outlines some of the specific interests they have in the region.

4.1 China

China has been providing assistance to African countries for almost 50 years, including constructing the Tazara railway between Tanzania and Zambia in the late 1960s.

Infrastructure is China's main area of involvement in Africa. Although the Chinese presence is very visible in East Africa, China concentrates its activities in resource-rich states like Angola, DRC, Nigeria, Sudan and Zambia. In Kenya China has been involved in several road-building projects and in a power-grid upgrading project. In Burundi China is collaborating on an anti-malaria centre. Government officials probed on their experience with Chinese aid and contractors shared that the Chinese are often the first and only donor to bid for infrastructure tenders. Where competitors do submit bids the Chinese far out-perform any competitor in terms of price and speed of delivery.

While the China-Africa relationship is strategically directed at the macro level via the Forum on China-Africa Cooperation (FOCAC), which was officially launched in 2000 and is a broader political, multilateral initiative, the projects are very much bilateral. It was only in 2009 that the African Union was accepted as a full member of FOCAC and the AU Commission is now a focal point for the relationship.[16] This does not yet mean that the focus has shifted to a multilateral approach in China's political and economic engagement. We believe both approaches have a role to play, provided individual states and the regional

15 Concern has been expressed in some Northern quarters that their loan policies may perpetuate another indebtedness spiral in Africa.

16 Discussion with officials in SA Department of International Relations and Cooperation, Pretoria, 20 October 2010.

bodies they belong to are ad idem on their national and regional development priorities and their interplay.

Two very important developments with reference to FOCAC, have made it easier to monitor China's aid engagement with Africa.. Firstly, the fact that it is used as a platform for making pledges and commitments to the region has resulted in Chinese aid becoming quite predictable. Secondly, the FOCAC is used to monitor progress, which means that commitments are generally honoured. One Chinese diplomat noted that while China's assistance was small compared to that of the North, it 'kept its promises'.[17] Even though China thus remains outside of the OECD-DAC aid coordination forums, it does promote predictability and some monitoring, albeit on its own terms and without scrutiny from other donors. However, China does not yet have a clear system of monitoring of its projects after they have been completed.

Civil society actors in Kenya specifically have expressed concern that there is very little transparency around projects funded by China, specifically the specifications for big infrastructure projects to be able to hold them accountable for quality.

Examples of key infrastructure projects in East Africa with Chinese funding

Kenya	Chinese participation in Kenya's infrastructural projects has been significant in recent years, with various construction firms involved with major highway projects, including the Mombasa Road – in joint partnership with the government – and the Thika-Nairobi super highway which, when finished, will vastly improve the economic and social development of Kenya and neighbouring countries.
Uganda	China is paying for the construction of the buildings to house the Foreign Affairs Ministry, the President's Office as well as the national stadium
Rwanda	The Kigali Highway was constructed by China. Currently there are ongoing projects on the improvement of inter-Kigali transport as well as investments in Energy.
Ethiopia	Tekeze Hydroelectric project

China has been hesitant in embarking too enthusiastically on TC. In various interviews, they emphasised that many African states had reservations about it, and thus the Chinese would proceed with caution. Africans have reiterated that FOCAC was about China and Africa relations. This should be the primary focus and only later should they bring in other parties. These concerns relate to trilateral (i.e., strategic dialogues such as FOCAC) as well as triangular initiatives. The point has been made by both Africans and Chinese that the overtures by the Europeans in particular should not be allowed to dilute the FOCAC high-level dialogue between China and Africa. Tripartite cooperation relating to high-level forums could hinder the building of trust between the two parties (in fact some Chinese have argued that it is their first priority to understand Africans better).

17 Discussion with Chinese officials in Pretoria, 20 October 2010.

This is not to say that the Chinese have not been involved in some initiatives. Their TC is largely focused in West Africa. One specific example given was cooperation between China and the US in Liberia on health care, which faced a number of challenges. The Americans had undertaken to provide medical staff for a hospital that would be built by the Chinese, but in fact provided 'management'. The Chinese recommended that the arrangement be changed but the two parties failed to reach agreement. This experience emphasises the challenges of TC among parties around issues of common understanding and sufficient trust to seek compromise and consensus.

East African states would do well to examine examples of where development agendas were used in seeking FDI.[18]

4.2 India

India's relationship with Africa has its roots and close ties via the large Indian diaspora – it is estimated that around 26 million people of Indian descent live in Africa. State-to-state cooperation was largely *ad hoc* until 2008 when the first India-Africa Forum Summit took place in New Delhi, to which were also invited the heads of eight regional economic communities, including COMESA and the EAC.

Being more willing than China to engage at the multilateral level, India has pledged to assist Africa's regional integration programme via the African Union and directly with some of the sub-regional organisations. Trade between Africa and India has more than quadrupled from USD7.3 billion in 2000 to USD 31 billion in 2008. In 2008 investments into Africa amounted to USD2, 652 billion.[19]

India focuses on infrastructure projects but is also very committed to technical cooperation and human resource development. The India-Africa Forum agreed to cooperation in a number of areas including science, research and technology, social development and capacity building, tourism, energy and the environment, media and communications, and infrastructure. The summit also made specific reference to helping strengthen Africa's regional integration. More recently, the Indian government has also agreed on a work plan with the AU based on the decisions of the first India-Africa summit. One of India's biggest projects is the Pan-African e-network (see below). Tanzania is one of the largest beneficiaries under ITEC, and two other Indian funded projects are under implementation: a small industry information centre (by NSIC); and a Centre of Excellence in ICT (by C-DAC).

India's support to east Africa includes lines of credit, which until recently were very modest (about $5 million in LoC) and some 50 technical training centres.[20] More recently

18 South Africa insisted on the expansion of rural mobile networks before agreeing to FDI in telecommunications.

19 UNCTAD, Economic Development in Africa Report 2010, South-South Cooperation: Africa and the New Forms of Development Partnership, 2010.

20 Mawdsley E. (2010). Engaging with 'Emerging' Development Partners: the View from Kenya, NORRAG 44, September 2010.

however, in January 2011, the Reserve Bank of India announced the extension of a line of credit of $213.31 million to Ethiopia for financing 'eligible goods and services including machinery and equipment from India for the purposes of financing the development of Ethiopia's sugar industry'.[21] Most of India's engagement in east Africa has been via its private sector, with investment by Essar (telecoms and refining), Reliance (petroleum and retail), Tata, Kirloskar and many others.

4.3 South Africa

Currently, a substantial amount of South African aid is channelled through multilateral vehicles (including NEPAD). Pretoria also provides some debt relief. The African Renaissance Fund (ARF) was promulgated in 2000 and is the vehicle through which South Africa delivers assistance to Africa. As such, it comprises only one aspect of South Africa's development assistance but it is the most visibly structured component, given that a specific Act of Parliament regulates it, although it forms a minority of the overall assistance in financial terms. It is located within the Department of International Relations and Cooperation, and falls under the NEPAD Directorate. Its reporting structure is closely aligned to the implementation of NEPAD projects, which serves to strengthen both NEPAD and South Africa as continental development drivers. The Fund utilises both concessional loans and grants as delivery instruments, although the bulk of its operations are conducted via grants. Crosscutting priorities in support of poverty alleviation, the economy, security and stability comprise SA's development cooperation priorities.

The Great Lakes area has been a focus of much SA cooperation initiatives especially in the area of peace-building and conflict resolution. The tripartite free trade area between SADC, COMESA and the EAC provides another opportunity for harnessing SA's initiatives in cooperation in this regard. (SA has already suggested to China that it should provide assistance in infrastructure for the North-South corridor. SA heads that subcommittee of the AU.)

The Department of International Relations and Cooperation is currently drafting legislation to establish a South African Development Partnership Agency (SADPA), which is likely to combine and integrate its development cooperation activities.

4.4 Brazil

Brazil is an important actor in SSC and whereas, like China, it is interested in accessing natural resources in Africa, it is also engaged in areas of political cooperation and technical capacity building. Historically Brazil has strong ties with the former Portuguese colonies in Africa and shares a cultural identity with the populations in these countries, making

21 75% of purchases financed by the LOC must be procured from India, while the balance can come from elsewhere. See 'Exim Bank's Line of Credit to the Government of the Federal Democratic Republic of Ethiopia', RBI/2010-11/382, A.P. (DIR Series) Circular No. 39, 21 January 2011. http://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=6233&Mode=0

for a natural link and ease of access. Thus Brazil is less active at this juncture in east Africa, although continent-wide it has been growing its presence in the last few years under former President 'Lula' da Silva.

Apart from SSC, Brazil has also actively engaged in TC since the 1990s. TC allows Brazil to undertake projects, which it may not have been able to do without additional assistance/resources from Northern partners. The experiences vary, with some countries being more receptive than others, which make recommendations and a setting of standards in TC difficult. Brazil's ambassador to South Africa has pointed out that processes of undertaking TC also differ – in some cases Brazil was approached by a Northern donor to form part of a TC project, in others Brazil initiated it.

While willing to engage in triangular cooperation, Brazil does remain 'wary of such arrangements', careful not to re-establish hierarchical relations 'wherein it plays a subordinate role to a traditional donor'.[22]

Brazil would like to encourage more work under the IBSA Fund (see below) to allow for greater predictability and institutional accountability.

UNCTAD argues that in order to harmonise efforts of new donors in Africa, each country should be allowed to focus on its area of relative expertise. 'Brazil could take the lead in providing support on tropical agriculture where it has developed tremendous skills that could help the region boost agricultural productivity. The Comprehensive Africa Agriculture Development Programme of NEPAD could serve as a framework for such assistance to ensure that it is consistent with the region's development needs[23].'

A good example of Brazil's success in this area comes from Ghana where the Brazilian Agricultural Research Company (EMBRAPA) has an office and is facilitating the transfer of agricultural technology from Brazil to Africa, which has had a positive impact on food security in the region.

4.5 IBSA (India, Brazil, South Africa)

Established in June 2003, IBSA is a coordinating mechanism among India, Brazil and South Africa, all three multiethnic and multicultural democracies, which have similar socio-economic challenges. A key driver of the forum is the members' desire to contribute to the construction of a new international architecture, to bring their voice together on global issues and to deepen their ties in various areas.

The India, Brazil and South Africa Facility for Poverty and Hunger Alleviation (IBSA Trust Fund) was created out of the IBSA Dialogue Forum in March 2004. Its purpose is to identify projects that can be implemented in interested developing countries in the

22 Rowlands, D. (2008) Emerging Donors in International Development Assistance: A Synthesis Report. PBDD Report, January 2008, p.16.

23 UNCTAD. 2010. *Economic Development in Africa Report: South-South Cooperation: Africa and the New Forms of Development Partnership*.

fight against poverty and hunger. The Fund, as an example of cooperation among three developing countries, constitutes a pioneer and unique initiative to enhance SSC for the benefit of the neediest nations of the South.[24]

The Special Unit for SSC, which is mandated by the General Assembly to promote SSC, has been entrusted by UNDP to manage the IBSA Trust Fund.

Each IBSA member contributes $1 million to the fund. Burundi, Cape Verde and Guinea-Bissau are examples of countries that have benefited from the IBSA fund. In Guinea-Bissau, the fund financed the introduction of new seeds and capacity building in improved agricultural techniques. In Cape Verde, it financed the refurbishment of two local and isolated health units to support the elderly and the disabled, and in Burundi it supported capacity building workshops to improve the national HIV/AIDS plan.

However, the three members have directed some criticism at the UNDP's heavy bureaucracy which leads to severe delays in disbursements. Its members instead wanted one the innovations of the fund to be rapid response to new ideas and projects.

4.6 Arab donors

The Gulf states in particular are important donors and purveyors of SSC. Most aid since 2000 has been in the form of soft loans and most is provided bilaterally. The key donors are Saudi Arabia, Kuwait and the United Arab Emirates. A report by the World Bank on Arab development assistance argues that commercial self-interest tends not to play a significant role in Arab aid allocation. [25] In fact, with the exception of the Saudi Fund for Development, none of the Arab financial assistance agencies is mandated to promote home country trade. New aid to sub-Saharan Africa was extended in the mid-1990s, to such countries as Burkina Faso, Burundi and Eritrea.

As well as offering bilateral aid as national governments the Arab donors have also established a number of financial institutions to complement and finance this role:

- The Arab Fund for Economic and Social Development (AFESD)
- The Arab Bank for Economic Development in Africa (BADEA)
- The Islamic Development Bank (ISDB)
- OPEC Fund for International Development (OFID), and
- The Arab Monetary Fund (AMF).

24 In September 2010, the three governments were honoured by the Millennium Development Goal Awards, in partnership with the United Nations Development Programme's (UNDP) Millennium Campaign and the Office for Partnerships, for "their leadership and support of the IBSA Facility for Poverty and Hunger Alleviation (IBSA Fund) as a breakthrough model of South-South Technical Cooperation"

25 World Bank. August 2010. *Arab Development Assistance: Four Decades of Cooperation. MENA Knowledge and Learning*: Quick Notes Series, pp.xiv-xv

BADEA is perhaps the most relevant to East African states. Figures for 2006 show the DRC as the main recipient in East Africa.

Top 10 recipients	US$m	% of total
1. DRC	13.5	7.9%
2. Mali	13.2	7.8%
3. Namibia	12.7	7.5%
4. Sierra Leone	11.3	6.7%
5. Kenya	10.0	5.9%
6. Malawi	10.0	5.9%
7. Tanzania	8.7	5.1%
8. Nigeria	8.4	4.9%
9. Ghana	8.0	4.7%
10. Senegal	7.3	4.3%
Total	103.2	60.7%

Source: BADEA, 2006 data (2007, p16-17).
DFI. BADEA Profile. www.development-finance.org/en/services/guide-to-donors.html

However, between 2000 and 2008 the only east African country to be in the top 10 recipients of Arab bilateral aid was Sudan. Most of their aid to Africa goes to Arab/Muslim countries.

The activities of the abovementioned funds, in conjunction with the national aid agencies are coordinated via the Coordination Group, which in turn sits in the AFESD. This makes the Arab nations distinctly different from the other donors in that close coordination has been a feature of their assistance since 1975 when the Coordination Group was established. The coordination has helped 'to reduce transaction costs, foster greater transparency in project management, and improve project safeguards and accountability.'[26] They also do not prepare agency-specific country assistance programmes, preferring instead 'to position their assistance in support of the recipient's requests.[27]

The Arab donors emphasise SSC, especially coordination and cooperation with regional organisations. In 2007 BADEA financed five road projects to promote trade among West African countries and Rwanda and Cameroon. Kuwait has helped Ethiopia in the construction of the Wukro-Adigrate-Zalambessa Road Upgrading project. In addition Kuwait is participating in the extension of Ethiopia's energy supply in the Afar region.

Apart from their development assistance they are also important partners in private sector investments and their sovereign wealth funds (SWFs), which since the global financial crisis have sought to diversify, see many opportunities in Africa. Some of these opportunities were discussed at the Gulf-Africa Investment Conference in December 2010 in Saudi Arabia. Arab SWFs are exploring financing large-scale infrastructure and agricultural projects in Africa. Saudi Arabia in particular, sees Africa's agriculture as strategic, and

26 World Bank. August 2010. *Arab Development Assistance: Four Decades of Cooperation*. MENA Knowledge and Learning: Quick Notes Series.

27 Ibid, p.35.

has earmarked 21 agricultural lands in Africa as part of 'King Abdullah's Initiative for Saudi Agricultural Investment Abroad'.[28] Given the Gulf states' severe arable land and water shortages, Africa can offer them much, but provided this process (especially land acquisition) is managed in way that does not heighten the food insecurity already evident in many African states, not least in parts of east Africa.

4.7 Triangular Cooperation

In the context of SSC, TC is used far less often as a development tool by Northern donors, despite recognised positive experiences by a number of traditional and new donors. It is only Japan and Spain that currently have integrated objectives on TC in their development cooperation policies.

As the first and second tier of developing countries, such as China and India, or SA and Turkey, increase their development cooperation and streamline its operation, TC will take on increasingly different forms: North-South-South; South-South-South or a combination of the above with different public and private actors, especially as the definitions of North and South become much more fluid over the next decade.

Table 2: Actors in Triangular Cooperation

Traditional 'Northern' Donors in TC	New Donors in TC	Multilateral Institutions involved in TC
Canada	Argentina	AfDB
Finland	Brazil	AsDB
France	Chile	BADEA
Germany	China	EU
Japan	Egypt	IADB
Norway	India	IFAD
Spain	Malaysia	IsDB
Sweden	Republic of Korea	OPEC Fund
Belgium	South Africa	UN Agencies
Denmark	Singapore	World Bank
Italy	Thailand	
Luxemburg Tunisia		
Switzerland	Turkey	
UK	Kenya	
USA	Morocco	
	Philippines	
	Sri Lanka	
	Vietnam	
	Russia	
	Colombia	

28 Qobo M, 2010, 'The Arabs and the recolonisation of Africa'. http://www.politicsresearch.co.za/archives/656

We would argue that a key requirement for a TC to work effectively is the element of trust among all partners. This is crucial for transparency, for agreement on systems and monitoring and impact. TC has been criticised for the size of its projects and a lack of ambition.

Rather, we would argue, TC should be viewed as an incremental process, which with the development of deeper trust and operational ease, may grow.

The OECD prepared a background document for the Policy Dialogue on Development Co-operation, which was held in Mexico City from 28-29 September 2009. This document lists 73 TC projects that were implemented globally, although it does not claim to be comprehensive.

Of the cited examples, only a handful refers to projects in East Africa, including:

- A project by Japan, Malaysia and the Philippines in *Kenya* on the Strengthening of Mathematics and Sciences in Secondary Education.
- A project by Canada and South Africa in *Burundi, Rwanda and Southern Sudan* on a public sector training and development project in countries emerging from conflict.
- A project by Japan and South Africa in *the DRC* on police training and capacity building.
- A project by Sweden and South Africa in *Rwanda* on police co-operation.

A few examples refer simply to implementation in a number of African countries, which makes it difficult to determine whether East Africa was a beneficiary:

- A project by Egypt and Norway on training courses in the field of horticulture development.
- A project by Japan and Sri Lanka on Asia-Africa knowledge co-creation in the field of hospital management.
- A project by Egypt and the FAO which sent Egyptian experts to Africa to deliver humanitarian assistance.
- A few general capacity building and training support initiatives from various donors across the continent.

As a fairly new initiative in terms of its scope, TC's two main challenges are:

- No real evaluation of projects after they have been completed, or an analysis of the efficacy of different triangular models.
- Insufficient ownership by the beneficiary country, or initiation of the process, a problem also prevalent in other forms of cooperation.

Use of TC as a vehicle for fostering private sector development could be explored further, and the UNDP's TechnoNet Africa, which facilitates growth of SMEs, could be useful vehicle in this regard.

4.8 Why should East African states engage?

The global economic crisis has left large export-driven economies, like China and India searching for new markets for their products as their traditional partners in Europe and the Americas are slow to recover. China, India and South Africa (and many others) have a strong interest in developing Africa's potential in order to cultivate a new previously under-developed consumer market. In many ways the objectives of national East African states and that of large, Southern producing states dovetail. However, national governments need to caution against losing sight of national priorities.

The growth of East African trade links and national economies will – all things being equal - result in employment creation as well as poverty alleviation in East Africa. This must be a strong driving force in East African states exploring ever closer and deeper links within the context of regional integration but also to attract the big emerging economies to invest in these newly formed markets.

East African states are engaging (and being engaged by) key Southern players. Southern players are targeting Africa as the next frontier of economic opportunity. The East African region is in part constrained by the multiplicity and overlap of regional organisations. This makes adequate planning and coordination, and the assigning of areas of responsibility in order to avoid duplication, more difficult.

Given the multitude of processes East African states should closely examine where to invest capacities and which processes are most closely aligned with national development strategies.

In optimizing this new landscape, East African states need to have an understanding of the constantly evolving picture of partners active in the region and their agendas and objectives. Equally this requires moves to harmonise national development plans so that they fit well within regional and continental development plans. The challenge then lies in coordinating the efforts of both old and new partners in the region without losing sight of the softer forms of SSC and TC that are emerging from the grass-root level among civil society and spreading fast through social platforms, websites, blogs and more. Lastly, monitoring the impact SSC and TC has on East Africa and learning from preceding interventions is a crucial foundation upon which to build the future of SSC.

5. EAST AFRICA

The terms of reference to this study define its scope as the Eastern African sub-region, which includes the following thirteen countries: Burundi, Comoros, Democratic Republic of Congo (DRC), Djibouti, Ethiopia, Eritrea, Kenya, Madagascar, Rwanda, Seychelles, Somalia, Tanzania and Uganda. The table below shows these countries' membership of regional economic communities (RECs), which form the anchor of SSC in Eastern Africa. Some efforts already exist to increase cooperation among these RECs, such as the tripartite free trade area process between the EAC, COMESA and SADC.

Table 1: Membership of Regional Economic Communities[29]

	EAC	COMESA	SADC	IGAD	IOC	ICGLR	CPGL
Burundi	X	X				X	X
Comoros		X			X		
DRC		X	X			X	X
Djibouti		X		X			
Ethiopia		X		X			
Eritrea		X					
Kenya	X	X		X		X	
Madagascar		X			X		
Rwanda	X	X				X	X
Seychelles		X	X		X		
Somalia				X			
Tanzania	X		X			X	
Uganda	X	X		X		X	

The development initiatives of the various regional economic communities and the efforts of some, such as the East African Community, to deepen integration substantively, provide robust vehicles for SSC. However, the multiple memberships of RECs creates problems related to scarce resources, duplication and difficulties over harmonisation.

Regional integration is vital to Africa's development because it helps to harmonise regional markets, reduce the costs of doing business and create bigger markets. Many initiatives of SSC and some on TC have sought to contribute to this process, and this should be encouraged.

Clear, coordinated regional visions on economic development provide an excellent entry point for all donors, including the new Southern donors. This is not limited to external

29 East African Community (EAC), Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC), Intergovernmental Authority on Development (IGAD), Indian Ocean Committee (IOC), International conference on the Great Lakes Region (ICGLR), Communaute pour les Pays des Grands Lacs (CPGL)

Southern countries, but also states within Africa. The sharing of experiences between regional organisations in East Africa and Southern or Western Africa are important as they may experience similar problems and contexts that may be relevant in identifying solutions.

The section below provides a brief overview of some of the various regional integration initiatives in eastern Africa.

5.1 East African Community (EAC)

The East African Community was revived in 2000 after its collapse in 1977. It has made impressive steps towards economic integration, with the launch of the common market in 2010. A common currency and deeper political integration, as far as a political federation, are also on the cards. Apart from promoting trade and having a positive impact on the ease of doing business in the entire East African region it also focuses on other areas of cooperation and development among the five member states. These areas include the harmonisation and promotion of education, energy, the environment, the youth, peace and security, health and more. (Monitoring and Evaluation against these objectives are still weak so it remains unclear how far these programmes have gone.)

The EAC enjoys strong partnerships with the bulk of the development agencies and donor countries, although the Southern donors are not specifically named on their organisational website. Coordination of donor activity takes place via the Development Partners Consultative meetings, which both serve to outline the EAC roadmaps towards integration and development as well as to give updates on how donor involvement is advancing the integration cause.

The Southern partners play a limited role in this forum. This is an area where the EAC Secretariat should proactively encourage new partners to participate. The case will have to be made not only to Southern partners but also potentially to member states in the EAC. Inviting countries that play a significant role in the key areas of the development of infrastructure, like China, India and the Arab donors, lower transaction costs, allow for greater transparency and planning and improve project accountability.

The tripartite process of harmonising regional integration and trade facilitation efforts between the EAC, SADC and COMESA (of which most East African states except for Somalia and Tanzania are member states - Tanzania is a member of both SADC and the EAC) is a very important step in the development of Eastern and Southern Africa.

5.2 Common Market for Eastern and Southern Africa (COMESA)

COMESA stretches from Malawi in Southern Africa to Egypt in North Africa, as far West as Libya and the DRC and includes the islands to the East of the continent of Seychelles and the Comoros. It brings the potential of an enormous common market and the improvement in the ease of doing business across this vast geographical space. It is considered as one of the pillars of the African Economic Community.

COMESA's particularly focus is trade integration and the attraction of investment into the area. Infrastructure development and the easing of border controls are essential in this regard. Strategically it has decided to avoid the 'softer' areas of integration, although it has some programmes on Agriculture and Peace and Security. For many years COMESA alone managed to advance the trade integration agenda in Africa and as an organisation provides both an example to other RECs and the benchmark of what continental economic integration could look like.

India, China and Japan are important partners to COMESA and talks are ongoing to establish a formal Trade and Investment Agreement between COMESA and China. Such an agreement could provide a framework for how to coordinate the various roles that China is playing in East Africa. It would be the first Chinese-multilateral involvement in Africa and should, therefore, be closely watched. COMESA participates actively within the Comprehensive Africa Agriculture Development Programme (CAADP) partnership platform (CAADP-PP), which was an outcome of a consultative process on the implementation of the CAADP. The CAADP Partnership Platform is a multi-partner, continent-wide mechanism for coordination, mutual review, and dialogue, and a complement to other CAADP related co-ordination mechanisms, which currently exist.

> It is a response to the perceived need for a senior level mechanism with a continent-wide perspective to ensure effective monitoring of overall progress and facilitate the necessary coordination of efforts for a successful implementation of the CAADP agenda at all levels. The benefits of such an arrangement include reduced transaction costs to national governments and other participating financing institutions as well as ensuring more consistent understanding of CAADP objectives and operational modalities across the different groups of actors and levels of implementation.[30]

A number of east African countries including Ethiopia, Uganda and Rwanda have made progress in implementing elements of the CAADP. As agriculture is a sector that new donors have expressed an interest in, they should be encouraged to participate in such multi-stakeholder initiatives and align their interventions with the policies set out in CAADP.

5.3 Intergovernmental Authority on Development (IGAD)

IGAD is situated in one of the more volatile areas of Africa and aims at providing stability and development to the populations within its member states. The priority areas of food security, environment protection, peace and security and economic cooperation and integration have held workshops and information exchanges. The Secretariat suffers from the lack of capital, human and otherwise. Despite these capacity constraints a number of successful projects and programmes were implemented across the spectrum of the

30 Global Donor Platform for Rural Development. CAADP-PP Background. www.donorplatform.org/content/view/67/78/

priority areas and member states, all with significant support from donors. The political and security situations in Somalia and the Sudan, spats between Ethiopia and Eritrea, are constantly dominating IGAD's agenda.

IGAD's Strategic Plan 2009-2013 aims at stronger regional integration in the Horn of Africa, as well as the strengthening of institutions of its member states and the promotion of peace and security. Not much progress has been noted against these objectives. However, the approach taken of initiating smaller projects and programmes in priority areas is a good example of how SSC can work even under difficult circumstances.

5.4 International Conference on the Great Lakes Region (ICGLR)

The ICGLR was formed under the auspices of the UN and the African Union in the early 2000s, when political stability in the states around the Great Lakes was of highest concern. The eleven member states, the seven co-opted states as well as the group of friends to the organisation share the common objective of establishing peace and bringing prosperity to the region. Many traditional and non-traditional donors support this organisation as there is a global recognition that the Great Lakes area holds the key to Africa's stability and economic success. Donors with an investment interest can't help but see the enormous potential of the area (especially natural resources) once peace and security is established and those with a humanitarian focus recognise the enormous hardship that has been suffered by the people of the Great Lakes.

The organisation works through four thematic areas, namely peace and security, democracy and good governance, economic development and regional integration, and humanitarian and social issues. The areas have strategic objectives, supported by protocols under which programmes and projects are developed with the close collaboration and guidance of the partners. For example, in September 2010 the ICGLR held a joint consultation with the OECD on responsible supply chains of minerals from conflict-affected and high-risk areas. The issue of combating the illegal exploitation of natural resources in the Great Lakes area has been a key element of activities by the ICGLR, especially through the adoption of guidelines for government and industry actors.

The ICGLR mandates its member states to explore the possibility of establishing Transborder Development Basins. These areas should become growth areas among at least three countries. The idea is based on similar Asian experiences:

> The initial growth areas in Asia were founded relatively recently, in the late 1980s, and were commonly compact geographical sub regions and marked by economic complementarities and often dominated by one "anchor" country. For example, Hong Kong investment drove the Southern China Growth Triangle and Singaporean initiatives led SIJORI (Singapore – Jonor - Batam Growth Triangle). Both Hong Kong and Singapore used the adjacent underdeveloped subregions as a source of cheap land and labor for the manufacture of goods for world markets. In the light of the success of the Southern China and SIJORI areas an increasing

number of nation states and sub regions in Asia have become interested in the concept of the growth area and the map of Asia is now the home of numerous such areas.'[31]

In these examples a third party institutional facilitator managed the start-up of the programmes. In the Asian example the Asian Development Bank played this role, whereas in other examples in East Africa that role was assumed by the UNDP. South-South exchanges and lesson learning could become an important catalyst in the success of the ICGLR development basins.

However, the key challenge of the ICGLR (one that is not unique to it but perhaps more pronounced in its case) is that of limited institutional capacity but an ambitious regional agenda, in a context of overlapping institutions, each with overlapping objectives and duplication. This affects the efficacy of all types of cooperation.

5.5 Infrastructure

In recent years a significant amount of resources have been directed towards identifying the infrastructural needs of Eastern and Southern Africa. The totality of these needs have been combined into a number of corridors, like the Northern and Southern corridors. These needs descriptions encompass road, rail, maritime and air transport and the necessary auxiliary facilities like energy and more. All countries that form part of this study are affected by the corridor plans and would all benefit from their successful implementation. The regional organisations involved in these projects that represent Eastern African states, include COMESA, SADC, EAC and the ICGLR.

A number of international donors have shown interest in supporting the development of the corridors. These include traditional, northern partners like the UK government, the UN, the AfDB, and the WB. China has also expressed interest in these corridors, which is not surprising as Chinese companies have been involved in many of the large infrastructure development programmes in Africa either as a donor or contractor. During the recent state visit to China, SA President Jacob Zuma motivated for the Chinese to support projects within the North-South corridor, a programme which had been prioritised at the AU summit in Kampala summit in July 2010, as part of the Africa Action Plan.

Once the corridors have been established they will link key productive sectors in remote areas to capitals and ports allowing for the transportation of both agricultural and mineral produce, not to mention the movement of human capital and imports from third countries to previously inaccessible markets. The development potential for Africa is significant. East African states will do well to engage Southern donors as much as possible in order to ensure the successful implementation of the African corridors.

31 ICGLR. "Regional Programme of Action for Economic Development and Regional Integration." Project Nr 3.1.2. Transborder Development Basins. March 2006.

The AU and NEPAD recognise the RECs as important vehicles towards Africa's development and have developed several action plans within the context of these to achieve the MDGs. Infrastructure development remains a key priority. Below are the plans that focus specifically on east Africa:

- The AU/NEPAD African Action Plan 2010-2015 which includes 80 flagship programmes and projects for regional and continental integration in Africa, particularly infrastructure.
- NEPAD's Short Term Action Plan (STAP), established in 2002 to address specific infrastructure development problems including facilitation, capacity building, physical and capital projects, and studies required to prepare future projects. STAP feeds into the Programme for Infrastructure Development in Africa (PIDA).
- The NEPAD Infrastructure Project Preparation Facility (IPPF), a fund which was set up to assist in developing high-quality infrastructure proposals. Managed by the AfDB the 2007/08 IPPF pipeline had some thirty projects valued at US$50 million, of which the energy and transport sectors account for 80%.
- PIDA is aimed at developing regional and continental infrastructure policies, establishing prioritised development programmes and the proposal of implementation strategies.
- In July 2010 African leaders at the AU Summit established a High Level Sub-Committee on Infrastructure which is tasked with prioritising and consolidating infrastructure projects for high impact and results.

Recent work on international trade agreements has resulted in an East African development matrix (there is one for the EAC as well as for COMESA), which can be used by all donors to identify the priority needs for regional development. The matrix, although aimed at Northern donors, should be used in a broader framework when discussing specific projects with China, India, Arab donors or others. Even though new donors are not part of the regular partnership consultations with traditional donors in east African countries, this should not preclude these countries individually or as regional economic communities to secure buy-in from new partners into priority programmes.

The needs of East Africa are daunting and in order to attract investments by the new donors the region should stress that a) there is a strategic plan in place which prioritises regional needs and b) financing for these project can come from a myriad sources of which their investment can take one form or another, like:

a. Financing through National Budgets

b. Public-Private Partnerships (PPP)

There are a number of opportunities open for both the private sector and government to get involved in financing projects in East Africa through a PPP. East African governments recognise the significant role the private sector can play in economic development.

Accordingly, some have made efforts to liberalise the investment climate for the private sector and, more recently, have established PPP Units within government that should assist with their establishment where appropriate.

The EAC private sector strategy prioritises improved business environment, institutional and human capacity development leading to increased trade and investment, and production and productivity of the private sector. The East African Business Council is championing the PPP initiative for the business community.

c. Donor Budget Support Agreements

d. Donor Grant Funding through Projects

Many donors contribute funds through projects and such project-based financing could contribute to the EAC Development programme in a number of ways such as through the provision of technical assistance (TA) and consultants to carry out feasibility and design studies, and the preparation of tender documents prior to the award of a tender to carry out capital works to improve infrastructure. There is also considerable scope for conducting assessments of country legislation and administrative systems especially in support of harmonising trade and transport arrangements in the region to create a better enabling environment for establishing PPPs.

e. Concessionary Loans

Some of the East African states are least developed countries (LDCs) and so are eligible for highly concessionary loans from the World Bank and the African Development Bank. Given the highly concessional nature of these loans, involving long grace periods, very low interest rates and long repayment periods, this type of funding would be ideal for many of the projects identified as part of the EAC Development programme. It would particularly be useful to those projects and programmes that have a low financial rate of return but a high social or development rate of return, or projects that have a low financial rate of return in the short term.

f. Interest Rate Subsidies and Tax Concessions

g. Private Investments

There will be numerous opportunities for the private sector to invest in projects and programmes in the North South Corridor. This could be done either through the establishment of a Special Purpose Vehicle through which loan and equity funding could be provided or through direct ownership gained from purchasing assets and investing.

Prospects for coherent national and sub-regional policies and strategies

The prospect for coherent national and sub-regional policies and strategies firmly lies in the hands of the national governments of East Africa, and in the way they interlink with their regional bodies and development plans. The strength of conviction in these national plans will trickle down to all government departments and can guide them in choosing where to engage on SSC in those areas that serve the national interest in their area of responsibility.

The danger is that political processes and pressures could divert attention away from the national plans and force participation in forums and agendas that serve to placate an important partner rather than the national or regional interest.

The importance awarded to the achievement of the Millennium Development Goals (MDGs) by both the national East African governments as well as the UN, who simultaneous places great emphasis on SSC bodes well for deeper synchronisation between national governments and SSC and TC.

The danger still, however, lies in the relative uncoordinated manner in which SSC and TC takes place. The report discusses some of the reasons for SSC standing outside of the Paris Declaration and donor coordination efforts. However, national governments should use lessons learnt by foreign donors' participation in East Africa and translate these into an effective and appropriate model for monitoring SSC. The danger lies in Southern partners engaging outside of national priority areas and then leaving a burden on the fiscus in terms of maintenance and upkeep.

Achieving more effective regional integration through TC requires a closer alignment with the regional development strategies of the various regional bodies, rather than only the national development plans. Thus in this context various regional and continental development policies are relevant, as discussed above.

6. Case studies

The TOR to this study mandates SAIIA to examine case studies in order to advise UNECA and East African states on examples of best practice and lesson learning from the region and beyond. Unfortunately the time was limited to evaluate individual case studies and interview both new donors, recipients and - in the case of TC, the northern donor as well. This section draws on previous work done by other agencies and is supplemented with the information gleaned from interviews.

One of the challenges the study has not been able to fully address is the extent to which case studies of projects or programmes complement national development programmes. The best-case scenario for SSC and TC in Eastern Africa would be those where the intervention closely follows the national development plans of the beneficiary country. This would argue for a model that favours close coordination with the recipient country government and against one where projects and programmes develop without a clear strategic direction or entry point. However, as a former senior government official in Tanzania noted, when Tanzania undertook a ten-year review of its vision 2025 it discovered that in practice some ministries did not even have a copy of it, although all said they were implementing it.[32]

In the lead up to the Bogota High Level Event on SSC, the Task Team on SSC compiled a study of 110 SSC case studies.[33] (The importance given to the work done by a World Bank agency within an event coordinated by the UN shows how close the two parallel processes have become in recent years.)

The outcome of this work sheds some important light on how implementers of SSC are using and adapting the Paris Declaration principles where necessary. Whereas significant work has been done over the years in understanding the North-South relationship and compiling guidelines on how this should work most effectively, the South-South dimension is only being examined in earnest now. East Africa has the opportunity to influence and shape international best practice.

Of the 110 cases mentioned, 31 are in Africa. While they are regarded as SSC, in a number of instances some of the funding may well come from multilateral bodies or traditional donors. The emphasis is on peer learning within the South. Importantly, there are also African-to-African cooperation initiatives, which form a significant component of the debate on SSC. [34]

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32 Remarks made at a symposium on 'Aid, governance and Development in Africa', Presentation, Nairobi, 29-30 September 2010.

33 South-South Cooperation in the context of Aid Effectiveness. 2010. OECD-DAC Task Team on South-South Cooperation

34 The full project descriptions can be read in the OECD publication at http://www.oecd.org/dataoecd/14/63/46080462.pdf .

6.1 AfCoP—Pan African peer learning on managing for development results (MfDR)

The African Community of Practice on MfDR is a bilingual community established in 2007 and made up of more than 1,000 members from 37 African countries. Its members, which come from governments and civil society, aim to build African capacity to manage for development results through sharing experiences, networking, and building strong learning relationships between practitioners in Africa and around the world. Its web platform allows the community to ask questions, exchange experiences, and ensure sustained dialogue throughout Africa. Members strive to make their organisations more results-oriented, effective, and accountable to ensure that the lives of their fellow citizens are improved. It is funded by the AfDB, WB, the Canadian International Development Agency, the Dutch Ministry of Foreign Affairs, USAID and IFAD.

The AfCoP is the result of sustained calls for more national ownership of development processes and donor coordination within the context of the Paris Declaration. It is to be the link between large conferences and forum meetings in order to keep momentum on the ground going. The Community enables members to gain valuable experience in specific MfDR themes, learn lessons on how to overcome particular obstacles and to develop solutions that work.

While members frequently launch online discussions, the level and amount of knowledge sharing and results management capacity built is difficult to quantify. It has established a Resource Center with a wide range of MfDR documents; it makes effective use of social media; has published an AfCoP Sourcebook (cases developed both online with all members and in print-only versions); it offers MfDR training; and has developed strong partnerships with Asian and Latin American MfDR CoPs (including the development of joint CoP work and products).

This project has had a broad reach. In the first instance it acts as a foil to governments and the international donor community to monitor and track progress against commitments made. Secondly, it develops an African voice on issues of mutual concern. Knowledge and information sharing is crucial, especially in the African context. The benefit here is that the voice is an African one, which ensures that the messages shared are relevant and well understood. The involvement of line ministries allows for close correlation with national agendas.

AfCoP has recently published a Case Book (www.africacop.org/library/docs/AfCop-CaseBook-ENGLISH.pdf), which lists some success stories in Africa including one in Ethiopia.

The following East African countries are members: Burundi, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, and Uganda.

6.2 Development Gateway—Spreading and sharing aid management practices

Implementing information technology projects in developing countries is complicated, and the biggest challenges can be non-technical. These institutional, political, coordination and process challenges can be common across different country contexts.

The Development Gateway's annual knowledge sharing workshops facilitate the exchange of good practices and lessons learned across the growing network of Aid Management Platform users in multiple countries; identify key issues in aid information management; foster partnerships between countries; and encourage regional leadership in aid management.

The Aid Management Platform is a web-based application used by governments and donor agencies that improves and streamlines the process of planning, monitoring, coordinating and reporting on international aid flows and development activities.

The Development Gateway workshops are held annually in the East African region and the participants are predominantly from governments. The Development Gateway organisation is funded by a large group of bilateral donors, including Southern countries like China, South Korea and India, as well as international organisations like UNDP and the WB with extensive support from large multinational corporations in the ITC sector, like Microsoft, Intel and IBM.

The following East African countries are members: Burundi, DRC, Ethiopia, Senegal, and Tanzania

6.3 Palama—Building public sector capacities in post-conflict countries

This is a TC project between South Africa's Public Administration Leadership and Management Academy (Palama), Rwanda's Institute for Administration and Management, Burundi's Ecole National d'Administration, Southern Sudan's Capacity Building Unit, with funding from the Canadian International Development Agency (CIDA). The aim of the programme is to improve the management and leadership capability of the public service through training and development in those three post-conflict countries. It is a five-year programme running from 2008 to 2013. Therefore, it is a little too early to make assessments of impact. However, it is important to note that in evaluating the programme mid-way through its cycle, managers of participants will be consulted to make recommendations on how to ensure greater transfer of and implementation of new learnings in the workplace so that ultimately, service delivery of the respective departments may be improved. There are also plans to make the the Kigali office and staff, a regional hub for ongoing collaboration, sharing of resources and capacity building in the region.

Palama implementers of the regional capacity building project referred to a number of 'protocols' that would be key to the success of the programme. These included acknowledging that Palama does not have the knowledge and insights that ENA, RIAM CBU have with regard to their respective challenges; Engage with them, not as an all knowing MDI, but as fellow learners in the process; Avoid the "big brother" approach; Listen carefully to what they have to say; Do not mistake a lack of development within the country for ignorance – indigenous peoples know what their needs are and where they want to go; Take them on board as co-designers and co-researchers; learning by doing will enable them to take one the implementation of the project; Conduct the capacity building in the partner country; and utilising participants as teachers rather than as 'specimens'.[35]

The following East Africa countries participate: Burundi, Rwanda, and Southern Sudan.

6.4 Kenya-Japan—Social forestry in Africa

With the assistance of the Japanese International cooperation Agency (JICA) a forestry initiative was started in Kenya, which led to the founding of the Kenya Forestry Research Institute (KEFRI). KEFRI offers a number of training opportunities, but one stands out as an excellent example of SSC. Having been trained by Japanese experts in the field and continuously being funded by Japan, KEFRI has taken the lessons learnt in social forestry to the broader region. Around 300 individuals from 18 countries have been trained in practices that have a broader knock-on effect on communities and the environment.

The following East African countries participate: Burundi, Eritrea, Ethiopia, Kenya, Rwanda, Sudan and Tanzania.

6.5 Kenya-Japan—Mathematics and science education in Africa

In this multi-country example of SSC Kenya benefits from funding and training provided to teachers by the Philippines and Malaysia. JICA provides the funding for expanding the training as widely as possible throughout the region. Currently 32 countries in Africa are beneficiaries of this programme.

The following East African countries participate: Burundi, Ethiopia, Rwanda, Senegal, Sudan, and Tanzania

6.6 Indonesia-Japan—Institutionalising micro finance in Africa

It has been widely recognised that a properly designed and implemented micro credit schemes is central to alleviate poverty by providing supports for lower-income groups to increase their income. The Non Aligned Movement's Centre for South-South Cooperation

35 Presentation by Dr S Mathayan and John Pangech, Palama, on 'Regional capacity building project: innovations through South-South partnerships', 30 September 2009.

has been actively involved in the effort to promote the development and mobilisation of micro credit schemes in the NAM member countries.

Under this specific project, Indonesia supports the programme financially with the assistance of JICA. The programme runs a series of training workshops for a broad spectrum of participants from Africa in order to encourage them to set up micro-financing establishments.

The following East African countries participate: Ethiopia, Kenya, and Sudan

6.7 African Union—African peer review mechanism (APRM)

The APRM is a mutually agreed-upon instrument voluntarily acceded to by the member states of the AU as an African self-monitoring mechanism. The APRM is a bold, unique, and innovative approach designed and implemented by Africans for political, economic, social and corporate accountability. Participation in the APRM is open to all member states of the AU, with 29 having acceded to date. It is based on the assumption that peer pressure among African countries in an objective manner generates positive outcomes. Its approach, which includes the participation of national civil society bodies in each country, has helped to create more space for national dialogue on issues that may previously have been avoided. Unfortunately, sometimes civil society's participation in this process has been circumscribed by governments, which runs counter to the founding principles of the APRM.

However, its impact in terms of generating impetus for reform or to address problems identified has been limited. The most notable example of this was the outbreak of violence in Kenya, after the 2007 elections. The APRM's report on Kenya had highlighted the potential problems posed by not addressing the issue of ethnicity as well as corruption. However, their recommendations were ignored at the time. It has the potential to be a unique African-to-African learning tool in the area of best practice in governance.

The following East African countries have acceded to the mechanism: Djibouti, Ethiopia, Kenya, Rwanda, Senegal, Sudan, and Tanzania.

6.8 NEPAD—investing in agriculture and food security in Africa

The Comprehensive Africa Agriculture Development Programme (CAADP) is an African initiative that seeks to find unique solutions for African problems by encouraging interactions and lesson-sharing among African farmers. As with the APRM, it has potential as an African-to-African learning exchange.

The programme focuses on improving food security and nutrition and increasing incomes in Africa's largely farming-based economies. Its aim is to raise agricultural productivity by at least 6% per year and increase public investment in agriculture to 10% of national budgets per year. CAADP draws together diverse key players—at the continental, regional, and national levels—to improve coordination, to share knowledge, successes, and failures, to encourage one another, and to promote joint and separate efforts to achieve the CAADP goals, which is to eliminate hunger and poverty.

The programme has four pillars, namely:

- Land and Water Management
- Market Access
- Food Supply and Hunger
- Agricultural Research

Donors – both Northern and Southern – have become involved in this project, making it an example of both SSC and TC. In addition, the RECs are also closely involved in the market access pillar of the programme, most notably COMESA.

6.9 NEPAD—Promoting e-schools in Africa

The NEPAD e-school programme is a continental initiative aiming to:

- Teach ICT skills to young Africans in primary and secondary schools; and
- Improve the provision of education in schools through ICT applications and the use of the Internet.

There is extensive private sector involvement in the e-School initiative through the

Information Society Partnership for Africa's Development (ISPAD), which brings together fiscal and human resources, ICT infrastructure and curriculum materials from private and public sector partners and civil society.

In an evaluation of the demo project in 2007, the report noted that one of the greatest achievements was the creation of greater awareness in governments of the importance of adopting ICT in their strategic education plans. Furthermore, local support infrastructure and civil society participation were necessary for effective roll-out.[36]

The East African countries that participate include Ethiopia, Kenya, Rwanda and Uganda.

6.10 Nigeria—Technical Aid Corps

The Technical Aid Corps (TAC) programme is technical cooperation between Nigeria and African, Caribbean and Pacific (ACP) nations. It is an alternative to direct financial aid designed for sharing Nigeria's know-how and expertise with other ACP countries. Nigeria uses volunteer professionals from various sectors, such as medicine and academia, to carry out this programme in the recipient countries. The programme acts as a channel

36 Commonwealth of Learning and infoDev, *The NEPAD e-Schools Demonstration Project: A Work in Progress A Public Report, 2007*.

through which South-South collaboration is enhanced. It shows enormous amount of local ownership and knowledge transfer from Nigeria experts to participating personnel of the recipient countries. One example of this cooperation is the deployment in 2006 of 40 Nigerian medical personnel to Kampala International University Teaching Hospital, located in Ishaka, Uganda to work as well teach in the hospital.

Ethiopia and Uganda benefit from this programme.

6.11 China-Africa—Experience sharing on development

The programme is sponsored by the Chinese government, with strong support from the World Bank. Sixty-five senior African government officials, fifty Chinese government officials and leading experts, as well as forty representatives from international development agencies and embassies in China participate.

Presentations, discussions, and field visits were conducted on Agricultural Reform and Rural Development, Infrastructure Development and Financing, Special Economic Zones, FDI, and Trade Development, as well as China's Cooperation and Engagement with Africa. Strong commitment and support of the Chinese government have been provided to this programme. Besides financial support and policy guidance, Chinese ministers/vice participated in the events.

The East African countries that participate are: DRC, Ethiopia, Kenya, Rwanda, Sudan, Tanzania

6.12 Cuba Africa—Promoting integrated health services

The objective of enhancing the capacities of medical personnel in Africa is pursued through the Integral Health Programme initiated by Cuba in 1998. This programme, which is primarily earmarked for rural areas, involves the sending of medical personnel to African countries.

The East African countries that benefit are: Burundi, Djibouti, Eritrea, Ethiopia, Rwanda.

6.13 India—Pan African e-network for medical services and human resources

The e-network seeks to bridge the digital divide across Africa by providing tele-medicine and tele-education through a fibre-optic network. The project is being implemented by the state-run Telecommunications of India Limited (TCIL). It also includes setting up a "VVIP" network between offices of the heads of state or government across Africa. Thirty VVIP nodes have been set up in African countries for video-conferencing among the heads of states.

Started in 2006 the project aims to provide tele-education services to 10,000 African students to undertake Post-Graduate, Under-Graduate, PG Diploma and Diploma and skill enabling certification courses in subjects such as Business Administration, IT, International Business, Tourism and Finance.

As part of the tele-medicine services, online medical consultation will be provided for one hour every day to each participating African country for a period of 5 years in various medical disciplines. Twelve leading Indian Super Speciality Hospitals have been associated with the Project. Another important element of tele-medicine services is the Continuing Medical Education (CME) in various specialisations which is intended to update the knowledge and upgrade the clinical skills of the practicing physicians and paramedical staff in the African countries.

India has signed agreements with 47 countries in Africa but infrastructure has been completed in 34.[37]

In 2010, the project won the prestigious Hermes Prize for innovation in the field of sustainable development.

East African countries benefiting from this network are Burundi, Djibouti, Eritrea, Ethiopia, Rwanda, Somalia and Uganda.

6.14 India-Tanzania-Uganda—Boosting dairy cooperatives

Through this programme India shares its experiences on improving diary cooperatives with Uganda and Tanzania._Participants in the exchange were exposed to a range of new strategies for increasing milk and dairy product consumption and improving marketing and production practices. The improved understanding and subsequent adoption and adaptation of these key strategies are intended to improve food security, nutrition, and incomes in the poorest communities in these two countries.

Tanzania and Uganda benefit from this programme in East Africa.

6.15 AWEPA—Parliaments joining efforts in the fight against small arms

The Horn of Africa and the Great Lakes region suffer under the massive influx of small arms. Under this project, MP's in the two areas collaborate on making laws to eliminate small arms and assist individuals that have been affected by them.

The struggle against the proliferation of small arms and light weapons in Africa can claim a number of successes. The cooperative efforts of Southern parliamentarians can take

37 http://www.thaindian.com/newsportal/uncategorized/india-launches-phase-ii-of-african-e-network-project-lead_100413316.html

credit for several of them. The Nairobi Declaration and Protocol, for instance, were signed (March 2000) by most countries in the Great Lakes Region and Horn of Africa and are internationally renowned and accepted as far-reaching instruments to curb the use and illicit trade in small arms. MP's supported these international agreements. Parliamentarians from Burundi, the DRC and Rwanda have made headway towards harmonising their countries' laws against illicit small arms trade, making it much more difficult for illicit traders to find a safe haven.

This initiative is seen as a source of inspiration for similar harmonisation efforts elsewhere in the region and a prime example of what MPs can do in terms of SSC.

6.16 South Africa–Kenya—Pan African Infrastructural Development Fund

The Pan African Infrastructure Development Fund (PAIDF) was formed in order to promote infrastructure development on the continent. It is the largest African initiative of its kind established to drive infrastructural development in Africa and to foster sustainable economic growth for all her countries. The PAIDF is a 15 year United States Dollar (USD) Fund launched to raise USD1 billion. Designed as a large-scale long-term fund, it allows the Fund Managers time to build and develop each individual investment to optimise financial returns as well as obtain capital commitments from specific investors. The Fund seeks to invest in Public Private Partnerships (PPPs) across Africa and is registered under the laws of South Africa.

The project raises money from private investors and pension funds from its many member countries across Africa and invests the money in overseas markets. The profits from those investments are used to fund projects across Africa. The initial country investors were Ghana, South Africa and Tunisia.

The fund will invest in four key areas, namely in Telecommunications, Energy, Transport and Water and Sanitation.

Kenya has been a recipient of the fund when the PAIDF pledged to invest in the Kenyan Mobile Network Operator Essar Telecom Kenya Holdings Ltd (ETKHL). Essar was chosen because it has a vision to expand its network beyond Kenya into east Africa. The PAIDF pledged a US$93.75 million investment in Essar.

6.17 Other cases of triangular cooperation

Malaysia is a driver of the Africa-Asia SMEs Network Programme, which supports the transfer and sharing of best practices in the area of promotion and support of Small and Medium Enterprises (SMEs) in Asia and Africa. The programme is supported by UNDP and eight Asian countries including Malaysia, Republic of Korea, and Thailand. The first phase involved 7 African countries, including Uganda and Tanzania in East Africa, where the focus was on policy and institutional reform for SME development, and capacity development for trade and investment promotion[38].

South Africa has also been involved in triangular arrangements. Since 2008 there is a Declaration of Intent between South Africa and the Nordics on identifying areas of TC. South Africa has worked with Sweden in police training in Rwanda. The evaluation showed that it had been a great success although there were some capacity challenges for SA. This project is largely completed. Another area of possible cooperation is in Southern Sudan on tax administration, which would include the South African Revenue Service and the Swedish revenue service.

In 2007 Norway and South Africa began supporting Burundi in conflict resolution, reconciliation and prevention. A SA NGO, the African Centre for the Constructive Resolution of Disputes (ACCORD), already had a long history in Burundi and had signed a MoU with the Government in Bujumbura. ACCORD approached Norway for funding the programme. This was then discussed with the South African government to ensure that it did not interfere with South Africa's facilitation efforts at the time in Burundi. Thus, this arrangement involved both state-to-state acquiescence and the execution by an NGO, which has already developed a relationship with the Burundi government, ensuring trust and will to continue the process.

The South African Treasury and German GTZ also have a Trilateral Cooperation Fund, which is aimed at 'supporting the establishment and implementation of development programmes of African countries and regional initiatives'.[39] The Fund considers support in the areas of good governance; local governance and development; skills development; protection of the environment, climate change and energy; protection of global public goods, especially peace and security; and conflict and post-conflict management. Some of the projects that have been funded by the TriCo-Fund include support for administrative decentralisation in the DRC; support to political decentralisation in the DRC; and the organisation of a National Anti-Corruption Summit in the DRC with the SA Department of Public Service and Administration.

In addition to bilateral TC, Northern donors and multilateral institutions have provided financial support for Southern-led multilateral or regional capacity building and training institutions. One example is in the macroeconomic and financial management area, where institutions such as the Macroeconomic and Financial Management Institute for Eastern and Southern Africa (MEFMI), the *Centro de Estudios Monetarios Latinoamericanos* (CEMLA), BCEAO/BEAC Debt and Macro Management Training Programmes (*Pole Dette*) and the West African Institute for Financial Management (WAIFEM) have been funded. There are also academic collaboration programmes such as the African Economic

38 UN-ECOSOC. South-South and Triangular Cooperation in Asia-Pacific: Towards a new paradigm in development cooperation. www.un.org/en/ecosoc/newfunct/pdf/background%20study%20final.pdf

39 German Technical Cooperation (GTZ), 'Trilateral Cooperation Fund: German/South African Partnership to support development of African Countries and Organisations'. Document supplied by German Embassy in South Africa.

Research Council (AERC), funded by Northern donors, specifically the IDRC, which provided the initial funding.

Below follow two examples of TC in East Africa.

Lake Victoria Basin Authority

The Lake Victoria Basin Commission (LVBC) is an example of TC, which also uses peer learning to good effect. It is an initiative of the East African Community, with the collaboration of a number of partners. In 2001 a partnership agreement was signed between the EAC and development partners on the promotion of sustainable development in Lake Victoria, which forms part of the EAC Development Strategy. The signatories include the East African Development Bank, the World Bank, SIDA, Norway and France. There is also a partnership consultative committee whose purpose is to implement the partnership agreement, which includes a partnership fund[40] and regulations governing its operations. Civil society organisations are recognised as key stakeholders in the sustainable development of Lake Victoria.

Specific mention here must be made of the partnership with SIDA. SIDA, together with the other partners, provides funding to the Commission, but also has brought to the partnership its experience in dealing with pollution in the Baltic Sea and the establishment of that Commission. Peer learning between the two Commissions has been a feature of the partnership. The LVBC and the Baltic Sea Commission have an ongoing collaboration.

However, there are areas that could work better. A number of workshops, seminars and a high level visit to the Baltic Sea Region were undertaken during the period 1998 – 2001 to share experiences and promote cooperation. This was funded by SIDA and facilitated by the Stockholm International Water Institute (SIWI). Baltic Sea cooperation served as a model for the protocol on sustainable development for Lake Victoria adopted in 2003. According to a fact-finding report of the SIWI in 2005,41 the concept of identification of 'pollution hotspots' used in the Baltic Sea was also applied in the Lake Victoria basin in 1999-2001 when surveys of sources of pollution were undertaken. Currently, there are relatively few strong operational and institutional links in place between the Lake Victoria Basin and the Baltic Sea. The Lake Victoria Region Local Authorities Co-operation (LVRLAC) has a co-operation agreement with the Union of Baltic Cities (UBC).

40 The Partnership Fund has financed capacity building of The Lake Victoria Development Programme, strengthening the capacity of LVBC; harmonisation of regional policies laws and regulations and standards; support for implementing of the MoU between the EAC and the Republics of Rwanda and Burundi. Others include a study on technical solutions for maritime communications for Lake Victoria; investment promotion in the Lake Victoria Basin; implementation of some aspects of the Toxic Chemicals/Oil Products Spill Contingency Plan for Lake Victoria; support to the LVB Resource Centre activities and support to National Focal Points for LVBC in the partner states.

41 Integrated Water, Sanitation and Natural Resources Initiative in the Lake Victoria Region, Fact-Finding Report, Per Bertilsson, Stockholm, August 2005.

The Lake Victoria Basin Commission has become the 'mentor' to several other river basin authorities in Africa, such as the Okavango, Lake Chad and the Congo River.[42] In addition, Sweden is active in supporting local authorities and civil society around the Lake, and also working to encourage industries in Rwanda, Kenya, Tanzania and Uganda to move to cleaner production systems, thus reducing pollution flows to the Lake.

There is no formal participation of external (non-African) Southern partners in the LVBC, although SIDA has said that their involvement would be welcomed. There was an instance when all new donors were invited to a conference on the Basin. China attended and showed some interest in the work, but has not provided any funding. China did provide some assistance with sewerage in the Basin, however.

The regional strategies that are relevant for the LVBC are:

- The EAC Vision and Strategy Framework for Management and Development of
- Lake Victoria Basin, adopted January 2004.
- The EAC Protocol for Sustainable Development in Lake Victoria, adopted
- November 2003.
- Partnership Agreement on Sustainable Development of Lake Victoria Basin signed by EAC with the Governments of France, Norway and Sweden, the World Bank and the East African Development Bank signed in April 2001.

However, capacity to execute the overall vision and strategy needs to be further strengthened. An observation made in the SIWI report is that the poverty reduction strategy papers have few references to regional cooperation around natural resources, environmental management and integrated water resources management.

Customs revenue

Collaboration in a triangular fashion to set in place systems and to improve collection of domestic revenue is another case study that has worked well in east Africa. DFID and the Rwanda Revenue Authority (RRA) have been working together to pass knowledge to Burundi in establishing an effective and corrupt-free revenue authority.

This cooperation has been based on the earlier partnership between DFID and Rwanda to establish the RRA itself, after the genocide. In 2009 the RRA was awarded ISO 2008 accreditation, the first Rwandan institution to attain this standard. In 2008 for the first time since the genocide, 50% of Rwanda's budget was funded by domestically generated revenues. Thus, the application of the lessons of a model in Burundi that has been highly successful in Rwanda, is one of the best examples of South-South-North in an area where African states have always been weak, i.e., domestic tax collection.

RRA is now an adviser and provider of direct technical support to Burundi's revenue authority. A strategic partnership is in place between the two countries, although there have been some difficulties because Rwanda is the senior partner – a situation that Burundi is

42 Interview with Kikki Nordin, SIDA, Swedish Embassy, Nairobi, 28 September 2010.

not comfortable with.[43] The driver of this cooperation emerged from Burundi's application to join the EAC, and the concomitant need to have an effective customs revenue authority, as the leakage rates in Burundi were extremely high.

The Rwanda-Burundi cooperation on revenue authorities forms part of the Regional East African Integration Programme (REAP), funded by DFID and launched in 2009. The assistance rendered by the Programme is aimed at among others integrating markets, removing trade barriers, reducing the region's high transport costs, improving growth rates and increasing incomes.

The programme will deliver seven major outputs, which include the introduction of integrated one-stop border posts at Gatuna, Rusumo, Kagitumba, Gisenyi and Akanyaru Haut; financial or technical assistance to support Rwanda on the analysis of a potential revenue sharing formula between states in East Africa; partnership with the RRA to support to the establishment of the Revenue Authority of Burundi; and assistance to RRA to combat smuggling across Lake Kivu.

43 Interview with DFID, Nairobi, 1 October 2010.

7. Recommendations

The region is characterised by more developed economies (such as Kenya) but also by unstable countries that have a substantial impact on economic and political developments. All states and regional institutions face challenges in the effective execution of policies, but some (such as the EAC) have made important strides in regional integration and harmonisation.

East African states could make a significant contribution to understanding SSC and TC by putting mechanisms in place to track the extent and impact of SSC and TC, as well as insisting that new donors are more transparent in their funding modalities as well as with regard to outcomes.

The important assumption is that SSC is not by definition inherently good for the beneficiaries, because it comes without some of the historical baggage of the North. In other words, East Africa should evaluate to what extent South-South Cooperation can feed into the national, regional and continental plans as they should take precedence above donor interests.

Some of our specific recommendations flowing from the report are:

- Adopt and adapt the Paris and Accra principles on aid effectiveness in Southern partnerships, especially on transparency, ownership and mutual accountability in terms of results. More specifically,
  - Use national and regional development strategies (including elements where appropriate of the AU/Nepad African Action Plan) as the 'menu' for cooperation both South-South and triangular. Ideally, MDGs should form part of the plans as well as the integration and engagement with donors.
  - Encourage some of the new 'donors' to engage more proactively with East African states on their regional development agenda.
  - Encourage new 'donors' to be more transparent about their various regional development activities to ensure optimisation of synergies and avoid duplication.
  - Avoid engaging outside of national priorities with the attendant consequence of burdening the fiscus with the upkeep of projects that were not priorities.
- Strengthen efforts to develop productive capacities, which have equally important developmental outcomes for states and regions – and which can become foreign direct investment magnets.
- Adopt a developmental approach in seeking foreign direct investment. While private sector investment happens where there are opportunities and returns, make sure to engage them in discussions around national/regional

developmental benefits (such as rolling out mobile telephony infrastructure in rural areas, as was the insistence of the SA government in the mid-1990s to two independent mobile operators). It is also worth considering that in many cases state companies (from China) may be less risk averse than their Northern counterparts.

- Ensure that cooperation with developing countries complements existing partnerships with developed countries.
- Given the multitude of processes East African states should closely examine where to invest capacities and which processes are most closely aligned with national development strategies
- Involve more local stakeholders in partnerships with the South, including civil society. Be open to inputs and recommendations from these various non-state actors, as they often have a better sense of issues on the ground or can help to provide nuance to project ideas. In some of the case studies (e-schools), criticism was meted about the absence of such participation. Ultimately, depending on the sector, such participation may be crucial for the project's success or not.
- While always a challenge, seek to enhance capacity to negotiate and benefit from SSC initiatives. Boosting negotiating capacity and capabilities within individual states as well as in regional institutions carries many benefits and is just as crucial when engaging with Southern partners. This becomes especially important in ensuring that there is no accumulation of unsustainable debt. Some analysts have expressed concern for example, around the DRC-China deals on minerals and whether the DRC was able to get the best deal without an unnecessary medium-term strain on its financial position. Collaborating with regional and continental institutions such as the African Development Bank, which has recognised this as an important instrument, can be extremely beneficial, especially as they can be seen as a more neutral collaborator/facilitator than partners from a Northern country with all the attendant North-South politics.
- Insist in reducing transaction costs by pooling coordination of donors. This could see the development of two separate forums – one which accommodates traditional donors and a new one, which serves to bring together partners in SSC. There is also scope for considering a similar approach to the ones that Northern partners have in their more specific development cooperation. This refers to the existence of Joint Assistance Strategies.
- Adopt effective databases for monitoring flows. In South Africa a well co-ordinated structure exists for tracking and monitoring inward ODA. This structure, the Development Co-operation Information System (DCIS), is a database run and maintained by the National Treasury. With the co-operation of EU technical assistants, an extensive ODA database, has been

developed that was recently hailed as an example of Good Practice for ODA management for recipient countries by the OECD.

- Insist on transparent monitoring and evaluation by Southern partners of various projects, as well as where these involve investments, the use of local personnel and material as appropriate. When the issue of monitoring and evaluation was raised among certain Chinese officials in embassies in Africa, they noted that this was something that they left to the recipient state. They simply focused on delivering the product/project.

  However, if SSC is to be seen as a partnership, the element of accountability of both parties needs to emphasised and implemented. TC may include elements of M&E, (for example, the cooperation of Sweden with South Africa in Rwanda). Follow-through on SSC projects is essential.
- Explore more with smaller middle income developing states the possibilities of TC, because in the area of TC, it also became somewhat apparent that such smaller 'pivotal' states may be more willing to engage, given their much smaller resources, than bigger states such as China. (Interestingly, at a recent public address given by the vice president of China, Mt Xi Jinping, in South Africa, he alluded to China's growing interest in this area.)
- Develop criteria for triangular and plurilateral cooperation, allowing beneficiaries to be proactive when engaging with donors on these issues. This could be an important pioneering initiative in east Africa and the RECs in the region.
- Regularly meet with other regions, like West and Southern Africa, Asia and Latin America to discuss experiences and exchange lessons learnt.

8. Conclusion

The central message of the study has been that SSC has come into its own providing for a vast and diverse field of collaboration that is often different both in process and the manner of execution from that of the North. However, as the world becomes more complex, it also gradually becoming less compartmentalised. Countries and institutions often form alliances across traditional divides, benefiting thus from the comparative advantage of such collaboration. In that regard, TC has accelerated both globally and across eastern Africa. While it still faces many challenges it is a useful tool to work on improving its mechanics. In the same way, the broadening and deepening of SSC has been welcome because of its different underpinnings, but that does not mean that the experiences of the North in development and aid effectiveness and the body of policies and principles that has developed out of this should be ignored in east Africa's engagement with its Southern partners.

It is thus crucial that African countries articulate more clearly how they would like Southern partners to engage with them on SSC. A tremendous window of opportunity has presented itself in the rise of emerging powers and their interest in the continent and east Africa specifically. SSC and TC must be leveraged to east Africa's developmental advantage. The brief cases studies included in the study reflect some of the innovations as well as some of the challenges, which are not insurmountable. Clearly, one has to factor in the real capacity constraints of regional institutions and national governments if there is recognition of the role they have to play in the context of South-South initiatives. Dealing with them is the underlying necessity of the region, not only for successful SSC but for all other endeavours. However, proactively pushing for the reduction in 'transaction costs' and greater coordination can address some of these shortcomings in the shorter term.

Numerous development plans with relevant matrices have recently been developed at the continental level with the AU and NEPAD, at the regional level at the RECs as well as nationally in order to feed into the region and continent. Greater ownership over these plans and insistence on an understanding of these plans by all donors wanting to invest in East Africa is paramount and will guide the way in terms of how SSC can and should be implemented. Of course, it should also be recognised that not all forms of SSC can be rigorously planned and implemented.

While there has been much rhetoric around South-South solidarity, it is also important to recognise that SSC is driven by specific interests of the funding country. It has overt political aims, as much as traditional development aid has in the North, notwithstanding the Paris Declaration and others on aid effectiveness. It is also true that elites in the region may prefer less coordination and an ad hoc approach to cooperation with Southern partners, as that may provide them with greater leverage for personal or specific interest-group gain.

The focus of this paper has been largely on east Africa and the evolving nature and opportunities created by SSC and TC. However, it is also useful to consider the broader context against which this debate is playing itself out, specifically the concept of global public policy[44] as an objective for development cooperation. There is an imperative that more consideration is given in the South to how SSC can better influence these discussions on global development policies.

44 Global public policy speaks to the world's growing interdependence, which requires the evolution of global norms and frameworks on issues such as health and the environment to name but a few.

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Appendix A

Buenos Aires Action Plan

Buenos Aires Action Plan Recommandations	
Action at the National Level	
1.	National programming for technical co- operation among developing countries
2.	Adoption of policies and regulations favourable to technical co-operation among developing countries
3.	National mechanisms for promoting technical co-operation among developing countries
4.	The strengthening of national information systems for technical co-operation among developing countries
5.	The improvement of existing institutions
6.	Promotion of national research and training centres with multinational scope
7.	The promotion of greater technological self-reliance
8.	The formulation, orientation and sharing of policy experiences with respect to science and technology
9.	The promotion of greater self-reliance in the economic and social spheres
10.	Technical co-operation among developing countries in the cultural spheres
11.	The encouragement of technical co-operation among developing countries through professional and technical organisations
12.	The expansion of TCDC through national public and private enterprises and institutions
13.	Information and education programmes in support of technical co-operation among developing countries
14.	The expansion of bilateral technical links
Actions at the Subregional and Regional Levels	
15.	The strengthening of subregional and regional institutions and organisations
16.	The identification, development and implementation of initiatives for technical co-operation among developing countries
17.	The enhancement of contributions by professional and technical organisations
18.	The creation of new links for technical co-operation among developing countries in important substantive areas
19.	Promotion of complementary industrial and agricultural projects at the subregional and regional levels
20.	The improvement of regional information for technical co-operation among developing countries
21.	Support to national research and training centres with multinational scope
Actions at the Interregional Level	
22.	The development and strengthening of interregional co-operation
Actions at the Global Level	
23.	The enhancement of national and collective self-reliance
24.	The exchange of development experience
25.	The fostering of global technical collaboration

26.	The improvement of information flows
27.	Control of the 'brain drain' from developing countries
28.	Measures in favour of economically or geographically disadvantaged developing countries
29.	Measures in favour of newly independent countries
30.	The strengthening of transport and communications among developing countries
31.	Maximisation of the use of developing countries' capacities
32.	Activities for technical co-operation among developing countries by the organisations of the United Nations development system in their respective fields
33.	Internal arrangements for technical co-operation among developing countries in the organisations of the United Nations development system
34.	Strengthening the capacity of the UNDP for the promotion and support of TCDC
35.	Support by developed countries for technical co-operation among developing countries
36.	The harmonisation of development assistance with technical co-operation among developing countries
37.	Intergovernmental arrangements
38.	Financial arrangements for technical co-operation among developing countries

Appendix B

Summary of Approaches by key Southern Donors

	China	India	Russia
	Perhaps more than any other external actor in Africa, China's approach to the continent reflects the strategic integration of trade, FDI and aid. Thes is driven by two major objectives: The need for resources to fuel China's sustained growth; The need for political support as China seeks to enhance its global profile in economic And political forums.	By comparison with China, India has reacted late to the resource potential of Africa and its role as a market for Indian products. In recent years this has been rectified, and India is now developing a concerted programme towards Africa, but concentrating on those countries with which it has clearly identifiable bilateral interests. This has led to a change in focus of India's relations with Africa, away from a historic link with East Africa (with its Indian Diaspora) towards West Africa and the Sudan. It is now striving to integrate activities in the three vectors of trade, FDI and aid. This provides Africa with the opportunity to respond in kind, with its own focused and strategic integration of activities in these three vectors.	The former Soviet Union's relationship with Africa goes back to the cold war, where aid and trade were often used as a means of political influence. With the collapse of the Soviet Union, the Russian Federation's internal challenges resulted in its neglect of Africa However, in the 2000s; the Russian Federation began to reinforce its political influence. Africa again has come into focus. Increasing its influence, to balance power not only with the West, but with the rising powers of China and India.
Trade	A large market for resource exports from Africa, China is a source of cheap consumer and intermediate goods, and cheap and appropriate capital goods; potential for growth in the agricultural sectors.	India is a source of demand for African products, particularly for oil and minerals, but also for some agricultural commodities such as nuts and fruit. India has the capacity to provide important inputs for Africa, including capital goods, low-price consumer goods and business services. Low-cost pharmaceuticals, perhaps linked to incoming Indian FDI, represent a particular trading opportunity.	There is scope for Africa to expand commodity exports to the Russian Federation, including both tropical agricultural commodities and minerals. The Russian Federation is one of the world's major grain producers, and is a potential source of supply for Africa.

	China	India	Russia
FDI	Hitherto, most Chinese FDI has been large projects in the oil and minerals sectors. This is changing rapidly and there are increasing FDI flows to Africa in manufacturing and services.	Indian firms have the capacity to assist Africa in the commodities sector, in agriculture and in the pharmaceuticals and telecommunications sectors.	Russian firms are keen to develop links with new producers in order to provide new power bases against the major global resource multinational corporations. They are open to alliances with African partners, as occurs in the case of the global diamond cartel.
AID	China offers abundant aid to Africa, often bundled with FDI in order to secure long- term access to materials. This aid takes a variety of forms, including finance, concessional market entry, funds and technology for infrastructure, technical assistance and training.	Indian aid, linked to incoming FDI, might contribute to enhancing infrastructure, to developing mineral and oil deposits and particularly to health and pharmaceutical sectors. Technical assistance and training are also key areas for Indian technical assistance.	Hitherto, the Russian Federation has mostly been a source of aid to Africa through multilateral agencies. There may be some scope for leveraging bilateral aid by resource- rich countries.

	Turkey	Malaysia	Korea
	Turkey predominantly sees Africa as a market for its final products rather than as a source of energy and other primary materials. After many years of contact with North Africa, in recent years it has begun to develop a coordinated strategy to enter Africa and has established a Turkey-Africa forum	Malaysia is not a significant player in the African context, with historical links confined to Mauritius and South Africa. The major strategic opportunity for Africa is to use the Malaysian State-owned oil company as a bargaining chip in relations with oil firms from other countries, and to take advantage of Malaysian expertise in vegetable oils and timber.	The Republic of Korea is the fifth largest consumer of oil in the world and has no oil resources of its own. Its dependency on oil imports defines its relationship with Africa. Access to minerals is of growing concern to Republic of Korea. Historically, Korea has lacked an integrated strategy towards Africa. In recent years this has begun to change, and Korean aid and FDI are increasingly being oriented towards countries that are potential suppliers of oil and minerals.
TRADE	A source for export diversification. Imports of textiles may assist Africa's clothing sector.	Market opportunities for export diversification in sectors other than mineral resource–based products.	African exports to the Republic of Korea are primarily in energy-related products. There is scope to diversify these exports into a wider range of products.
FDI	There is scope for joint ventures in small and medium-sized ventures.	Learning and finance in the oil, palm oil and timber sectors.	Much incoming FDI has been in manufacturing and tourism. These remain important destinations for Republic of Korea FDI, but there is scope to attract Republic of Korea FDI into the commodities and infrastructure sectors.

	Turkey	Malaysia	Korea
AID	Aid may provide support for small-scale business ventures and in the construction and clothing and textile sectors where Turkey has distinct competences.	Malaysia has competences in sectors that provide an opportunity for Africa to learn from, notably oil extraction, palm oil and timber. The uplifting of formerly disadvantaged groups has been an important role model for South Africa and lends itself as an exemplar for other African countries.	The Republic of Korea provides a combination of developmental aid, and aid to countries and sectors that provide energy and mineral inputs. There are opportunities to expand these activities, as well as to encourage aid in the infrastructure and industries required to exploit these primary commodities.

	Kuwait	Qatar	Saudi Arabia	UAE
	Kuwait cooperation for development is mainly coordinated by the Kuwait Fund for Arab Economic Development established in 1961 to assist economic development of Arab countries. In July 1974, the law of the Fund was amended, increasing the Fund's capital and extending the scope of operations to include, in addition to Arab countries, other developing countries. About 20% of its activities are focused on Africa.	Qatar has been very active in regional and multilateral initiatives to promote SSC acting as a spokesperson of the needs to enhance SSC. The country hosted the Second South meeting of the Group of 77, launching the South Fund for Development and Humanitarian Assistance.	The Kingdom of Saudi Arabia has created the Saudi Fund for Development in 1974, which become fully implemented in 1975. The Fund aims to as it explains on the charter is to participate in financing of development projects in developing countries through granting of loans to said countries and to encourage national non-crude-oil exports by providing finance and insurance in support of such exports.	The UAE has continuously been a major contributor of emergency relief to regions affected by conflict and natural disasters in the developing world. The main UAE governmental agency for foreign aid is the Abu Dhabi Fund for Development (ADFD) which was established in 1971. Since its establishment, the ADFD has provided over US$3.45 billion in soft loans and grants to countries mainly in Africa. Since 1971, these have accounted for a further US$2.7 billion, bringing the total amount of the loans, grants and investments provided by the fund or the Abu Dhabi government, and managed by the fund, to around US$6.5 billion, covering 258 different projects in a total of 52 countries.

	Kuwait	Qatar	Saudi Arabia	UAE
TRADE	Kuwait is a partner on the Gulf Cooperation Council, which has became a common market in the beginning of 2008 and which is expected to have a common currency by 2010.	Qatar is a key partner on the Gulf Cooperation Council, which has became a common market in the beginning of 2008 and which is expected to have a common currency by 2010.	Saudi Arabia is a key partner on the Gulf Cooperation Council, which has became a common market in the beginning of 2008 and which is expected to have a common currency by 2010.	UAE is a key partner on the Gulf Cooperation Council, which has became a common market in the beginning of 2008 and which is expected to have a common currency by 2010.
AID	Kuwait Fund is a key supporter of Arab Aid established in 1975. Its members are the Abu Dhabi Fund for Development, the Arab Bank for Economic Development in Africa (BADEA), the Arab Fund for Economic and Social Development, the Arab Gulf Programme for United Nations Development Organisations (AGFUND), the Islamic Development Bank, the Kuwait Fund for Arab Economic Development, the OPEC Fund for International Development and the Saudi Fund for Development. Debt relief has been extended to Rwanda, Senegal, Tanzania and Uganda.	Qatar has established a development Fund to provide assistance to the needed countries and its developmental assistance relative to its GDP is one of the highest in the world. The country has also cancelled debt due for a number of Highly Poorest Indebted Countries.	The scale of Arab aid, in fact, is almost unprecedented. It far exceeds the minimum levels recommended by the United Nations and, according to the Organisation of Economic Cooperation and Development (OECD), it outstrips, in percentage terms, the aid granted by the industrialised world. Industrialised nations, said an OECD report, give an average of only 0.39 percent of their gross national product (GNP) in foreign aid - far less than the 0.70 percent recommended by the United Nations - while three Arab states, Saudi Arabia, the United Arab Emirates and Qatar, give more than five percent of their GNP, and a fourth, Kuwait, gives more than three percent.	Arab donors channel their aid in a variety of ways: bilaterally through such state institutions as the Saudi, Kuwait and Abu Dhabi funds; via regional organisations such as the Arab Fund for Economic and Social Development, the Islamic Development Bank and the OPEC Special Fund; and through such international institutions as the United Nations, the World Bank and the International Monetary Fund. Some aid consists of outright grants - particularly in emergency situations - and some, depending on conditions in the recipient country, of "soft" loans - that is, with interest rates as low as a half percent, grace periods of up to 10 years before repayment starts, and up to 50 years to repay.